

Friday August 3 1992  
I finds cool it

Mr. Mitterrand's popularity is at a low ebb... The French president's approval rating has fallen to its lowest point since he took office in 1981... The French people are angry at his handling of the economy and the political situation...

William Dawkins

Italian economy  
Amato must prove he has the clout

US election  
The campaign gets dirtier

South America  
Turning rivers into trade routes

Olympics  
Athletics: more heat in the big stadium

Italy cuts discount rate as wage pact boosts lira

World Stocks

World Stocks

World Stocks

NEWSPAPER  
of the YEAR

# FINANCIAL TIMES

Tuesday August 4 1992

EUROPE'S BUSINESS NEWSPAPER

D8523A

## Washington and Baghdad step up war of nerves

The US and Iraq continued their war of political postures yesterday with American marines preparing to land on the beaches of Kuwait, and Baghdad vowing never to renounce its claim to the tiny neighbouring country it invaded two years ago.

Trans World Airlines, debt-laden US carrier operating under Chapter 11 bankruptcy protection, is believed to be close to reaching an agreement under which TWA owner Carl Icahn would cede control to employees and creditors. Page 15

Black Sea fleet deals Ukraine and Russia agreed to share the Black Sea fleet and its land facilities under a unified command until 1995, ending a dispute which had threatened the peace between the former Soviet republics. Page 14

Ivanisevic wins Croatia's first medal Goran Ivanisevic won the first Olympic medal for Croatia by beating Frenchman Fabrice Santoro in a tennis quarter-final. There is no play-off for third place in Olympic tennis - both losing semi-finalists being awarded a bronze medal.

Playmates, Hong Kong manufacturer of Teenage Mutant Ninja Turtles toys, will pay HK\$25m (US\$30m) for a 35.31 per cent stake in Ideal Leisure, leading French toy maker which owns licensing rights to Babar the Elephant. Page 16

Bush camp in disarray: The disarray in President George Bush's re-election campaign deepened as he was forced to disown a senior aide's savage, personal attack on Bill Clinton, the Democratic presidential nominee. Page 14

Twist in LTV battles: The battle for LTV's aircraft and missile businesses took a new twist when LTV announced a preliminary agreement to sell the entire operation to defence group Martin Marietta for \$440m. Page 17

Banks seek ERM debt assurances: Foreign bank creditors to ERM, Italian state holding company in voluntary liquidation, want to know whether the government's plan to issue up to 14,000bn (\$350bn) in new securities to cover the company's debts will be adequate. Page 15

German banker dies: Karl Thomas, a member of the Bundesbank's policymaking council and president of the regional central bank of Hesse, has died aged 63. Page 2

Collier crisis meeting: Brazilian president Fernando Collor held a crisis meeting of his economic team to draw up an "anti-impeachment plan" as he sought to cling to power. Page 3

General Electric, US manufacturing, services and technology company, underscored the increasingly global nature of its business by appointing an Italian, Paolo Fresco, as the first non-American member of its top executive team. Page 17

Lap Group, UK freight forwarding and security concern, has reached agreement with about 25 banks to swap £180m (\$340m) of debt into equity. Page 15; Background, Page 21; Lex, Page 14

Debt denies interference: Indian premier Narasimha Rao denied putting pressure on the leader of the investigation into the Bombay financial scandal who resigned last week. Page 4

NY police chief quits: New York police chief Lee Brown resigned, citing his wife's illness as the reason. His resignation follows allegations that a group of police officers sold cocaine and provided protection for Dominican drug gangs.

Nafta splits ministers: Trade ministers from the US, Canada and Mexico haggled in Washington over the final details of the North American Trade Agreement. Opponents say hundreds of thousands of manufacturing jobs will be lost to Mexico if the deal goes through. Page 5

UN soldier dies: A UN peacekeeping soldier from the Ukraine has died in a German hospital after being wounded by a mortar bomb in Sarajevo. Tajman re-elected in Croatia. Page 2

STOCK MARKET INDICES  
FT-SE 100 2,420.2 (+0.5)  
DAX 1,988.17 (+1.4)  
Nikkei 15,788.45 (+200.83)  
New York Composite 3,391.62 (+219)  
S&P Composite 424.1 (-11.1)

US LUNGEY RATES  
Federal Funds 3.5%  
3-mo Treasury Bill 3.25%  
Long Bond 10%  
Yield 7.45%

LONDON MONEY  
3-mo Interbank 10% (10%)  
Life long gilt return 97.7% (96.5%)

NORTH SEA OIL (Argus)  
Brent 15-day (Sept) \$29.35 (20.375)  
Gold  
New York Comex (Aug) \$382.6 (357.4)  
London \$382.6 (357.95)

STERLING  
New York London: 1.9222  
London: 1.9222  
DM 1.924 (1.92)  
DM 2.84 (2.8425)  
FF 9.266 (9.266)  
Sfr 2.2375 (2.2325)  
244.75 (244.5)  
Index 92.4 (92.3)

DOLLAR  
New York London: 1.476 (1.48)  
DM 1.476 (1.48)  
FF 4.9675 (5.0025)  
Sfr 1.3185 (same)  
Y 127.25 (127.25)  
Index 98.3 (same)

FOREIGN EXCHANGE  
Austria Sch90 Hungary Ft152 Mark Lm0.50 S.Arabia SR0.00  
Bahrain Dm1.000 Iceland Kr120 Morocco Mdh11 Singapore S\$4.10  
Belgium BF0.00 India Ru0.000 Nigeria Nn0.000 Sweden SKr14  
Ceylon C\$1.00 Indonesia Rp0.000 Norway Nkr15.000 Switzerland Sfr0.00  
Czech Kcs0.00 Israel Sh5.000 Oman Orl.200 Thailand Thb0.00  
Denmark Dkr14 Italy Lit0.000 Pakistan Ru0.000 Tunisia Dm1.000  
Egypt E\$4.00 Jordan Jd1.000 Philippines Pso0.000 Turkey Lst0.00  
Finland Fm10 Korea Won2000 Philippines Pso0.000 UAE Dir0.00  
France FF0.00 Kuwait Kd0.000 Poland Zl0.000  
Germany DM0.00 Lebanon Lf0.000 Qatar Qr10.00  
Greece Dr250 Lux Lfr0.000

## Millions of S African workers stay at home at start of week of protest Strike leaders claim success

By Michael Holman  
in Johannesburg

LEADERS of South Africa's general strike claimed a "resounding success" as millions of workers stayed at home at the start of a week of protest.

Much of the country's business and industry was brought to a halt, or forced to cut output, with an estimated 90 per cent or more of the workforce staying away from the Johannesburg region, falling to about 50 per cent in Natal, where Chief Mangosuthu Buthe's Inkatha Freedom party opposes the strike.

The country's mining sector, however, was less affected, with Anglo American Corporation reporting that its gold and coal mines were "operating normally, with high attendance", ranging from a full turnout in the West Rand and Vaal-Reefs regions, to 40 per cent at Freegold and about 75 per cent in its coal mines. The Johannesburg Chamber of Commerce and Industry said that members reported a stay away of over 90 per cent.

South Africa has been plunged into a national crisis as a direct result of the government's intransigence in negotiations and its lack of political will to end the violence, Mr Cyril Ramaphosa, general secretary of the African National Congress, told a news conference last night.

Although the first day of a two-day strike was marred by the deaths of at least 34 people between Sunday and yesterday evening, it was not clear how many of the killings were directly related to the stoppage. Cape Town's townships were effectively no-go areas as dozens of barricades, some alight, blocked the streets.

A 10-member team of United Nations observers was monitoring the violence, with the assistance of local organisations, in the first exercise of its kind in South Africa.

The real test of the campaign, intended to force President F.W. de Klerk into speedy agreement on a majority rule constitution, is yet to come. Past strikes called by the ANC and its allies, the Communist party and the Congress of South African Trade Unions (Cosatu), have had comparable success.

This time the alliance is committed to a week of protest, with rallies, demonstrations and sit-ins due to continue after the strike ends tonight. If today's level of support, or something near it, can be sustained, the pressure on Mr de Klerk may start to tell.

Mr Jay Naidoo, the Cosatu general secretary, made clear at the same news conference that he intended the protest to continue until Mr de Klerk gave way. If there was no positive response to the alliance's call for an early interim government, elections for a constituent assembly and an end to political violence, it would



Fiery protest: demonstrators set up burning tyre barricades in Cape Town to prevent township residents going to work

continue its campaign of rolling mass action until the... demands are met". Mr Naidoo said that 4m workers had responded to the strike call. "Millions have voted with their feet today."

The campaign organisers also claimed that school boycotts, opposed by many parents, ranged from 75 per cent in the western Cape to a total boycott in the Johannesburg region.

The city itself was quiet yesterday, with many shops and businesses closed, and few of the

hawkers who usually set up stalls on streets in the centre. Parties opposed to the strike, including Inkatha and the Pan Africanist Congress, as well as employers, claimed that there had been intimidation, a charge denied by the ANC.

A further factor in the turnout is availability of transport, with few taxis or buses operating in many parts of the country.

The nominally independent black homeland of Ciskei barred entry to a member of the UN

team monitoring the strike. "We were stopped at a road block in Ciskei on the way to the town of Mdantsane," said Mr Jose Campino, from Portugal, one of the observers.

Mr Campino said Ciskei police told him they were under orders to prevent him entering the homeland in Eastern Cape province. The homeland's military ruler is opposed to the ANC.

Growth fears in S Africa, Page 4  
Image belies reality, Page 4

## US urged to block BA-USAir deal

By Paul Betts,  
Aerospace Correspondent

DELTA AIR LINES, the third largest US carrier, yesterday called for British Airways' proposed \$750m equity investment in USAir, the sixth largest US carrier, to be blocked.

The request to the US Transport Department coincides with mounting pressure by the three largest US airlines, Delta, American Airlines and United Airlines, for greater access to the UK and other European markets through a revision of the existing aviation agreement between the UK and US.

American Airlines, the biggest US carrier, said yesterday that the US government should not approve the investment deal unless the US secured equal opportunities for US carriers.

However, the strongest attack came from Delta which called on the Transport Department to take action to stop the deal "as a matter of law".

Mr Ronald Allen, Delta's chairman, claimed the BA-USAir deal involved "a foreign carrier, cloaked in the protection of one of the most restrictive and anti-competitive international aviation regimes in the world, seeking control over a US carrier in violation of our government's current law and policy".

Mr Allen also claimed BA would exercise control "over virtually every significant business activity of USAir".

Even if BA's control of USAir was eliminated, Delta argued, the US government was obliged to protect US interests by requiring a precondition to any deal a revised US-UK agreement giving US carriers free and open access to and from British cities.

BA yesterday said its agreement with USAir complied with US regulations and had no implications for the aviation regime between the two countries.

Under the deal negotiated at the end of last month, BA is proposing to acquire a 44 per cent equity stake in USAir. This would give it 21 per cent of the voting rights in the airline.

US regulations restrict foreign ownership in domestic carriers to 25 per cent of voting rights and 49 per cent of equity. BA said yesterday the US Transport Department had promised a rapid review of its proposed deal with USAir.

## Britain in talks to save Euro Fighter

By Ivo Dawney in London and  
Haig Simonian in Milan

MR Malcolm Rifkind, Britain's defence secretary, flies to Madrid for talks with his counterparts on the troubled European Fighter Aircraft today amid signs that Italy and Spain may be losing faith in the four-nation project.

Ministry of Defence officials said last night that the chief aim of the talks remained to persuade Mr Volker Rube, the German minister, not to "shut the door" on joining the aircraft's production phase. Germany made clear in May that it would not participate in the production phase, due to begin next summer.

But well-placed UK industry officials believe that the gloomy economic outlook is increasingly undermining Madrid's and Rome's commitment to what is, at an estimated cost of £20bn, (\$38.2bn) Europe's largest defence collaboration project.

Italy's new defence minister, Mr Silvio Ando, gave the clearest indication to date yesterday that his country was having second thoughts about the project, at least in its present form.

Speaking in Brindisi he said the EFA "needs the German

Continued on Page 14

## GOVETT & COMPANY LIMITED

1992 INTERIM RESULTS

Operating Profit US\$27.6m +18%

Profit Before Taxation US\$29.7m +14%

Earnings per Share 28.5 cents +12%

Dividend per Share 9.5 cents +12%

"The outlook for the balance of the year is encouraging. While always vulnerable to unexpected developments, our business is very diversified and growing in all areas."

A. I. Truget - Executive Chairman

Copies of the interim report will be available from Clive A. C. Chaplin the Company Secretary at the Head Office in Jersey, telephone (0534) 38578 or from Ian K. Whitehead, Chief Financial Officer, telephone (071) 378 7979

Contents

European News 2  
International News 4  
American News 3  
World Trade News 5  
UK News 6  
Olympic Games 7  
Weather 14  
Lux 14

TV and Radio 11  
Crossword 12  
Companies 13  
UK 13  
Int'l Cap Mkts 13  
Int'l Companies 16  
Markets 16  
Commodities 22

FT Actaries 23  
FT World Actaries 24  
Foreign Exchanges 25  
Gold Markets 22  
Equity Options 20  
Managed Funds 26-30  
Money Markets 30  
Recent Issues 20  
World Currencies 18

Share Information 24,25,34  
London SE 23  
Wall Street 31-34  
Bourses 31-34



## NEWS: EUROPE

Tudjman re-elected in Croatia

# Outrage over Serb death camp claims

By Our Foreign Staff

INTERNATIONAL outrage is growing over allegations of Serb-run death camps in the former Yugoslav republic of Bosnia-Herzegovina.

The French government demanded yesterday that humanitarian organisations be allowed immediate access to camps in Bosnia-Herzegovina to investigate allegations of atrocities, following claims at the weekend that thousands of civilians have been slaughtered, starved or imprisoned.

The US yesterday confirmed such reports when a government spokesman said: "We know from our own reports that Serbian forces are maintaining what they call detention centres for Croats and Muslims. There have been abuses, torturing and killings taking place in those centres."

The disclosures came as President Franjo Tudjman of Croatia won 55 per cent of the votes in the country's first presidential election since gaining independence from Yugoslavia.

In the concurrent parliamentary poll on Sunday, his ruling Croatian Democratic Union party (HDZ) looked set to gain a majority in the 124-seat parliament, after winning 41 per cent of the votes.

Mr Tudjman's critics said the

result cast a shadow over the development of democracy in Croatia. Mr Zarko Puhovski, a professor of political philosophy at Zagreb University, said he was concerned the vote would be seen as a mandate for Mr Tudjman and HDZ to rule single-handedly.

"If they have been elected in both presidential and parliamentary elections, then they will understand the results as the legitimisation of their authoritarian rule," said Mr Puhovski. "This is the worst possible outcome in terms of democracy. Tudjman has ruled from some kind of court for years."

The vote for Mr Tudjman and the HDZ also appears unlikely to bring Croatia closer to a resolution of the Serbian question. Ethnic Serbs, who make up 12 per cent of the 4.5m population, generally abstained from voting - with the exception of urban Serbs. The 200,000 Serbs living in the UN-patrolled zones and 200,000 Serbs who fled the war to Serbia did not vote.

David Owen reports from London. Mr John Major, the UK prime minister, ruled out any immediate prospect of a militarily imposed solution in the former Yugoslavia, saying the international community could not be united behind such a policy.



Germany yesterday became the first European country to start destroying its cold war arsenal when officials lit a cutting torch to destroy a Soviet-made armoured car and a cannon, Reuters reports from Rostov-on-Don.

and Foreign Minister Klaus Kinkel (centre) had to jump back from a massive fire as the torches were lit.

There is no place any more in a Europe of democratic states and plural-

istic societies for over-armed and the bulging arsenals of the cold war."

The APC and the 125mm Howitzer cut apart in Rostov-on-Don, once behind the Iron Curtain, were the first of about 40,000 tanks, artillery and helicopters for the victory of reason and morality over confrontation and the arms race.

The APC and the 125mm Howitzer cut apart in Rostov-on-Don, once behind the Iron Curtain, were the first of about 40,000 tanks, artillery and helicopters for the victory of reason and morality over confrontation and the arms race.

## President of Hesse central bank dies

By Andrew Fisher in Frankfurt

MR Karl Thomas, one of the most experienced and influential members of the Bundesbank's policy-making council, died suddenly at the weekend.

Mr Thomas, 63, was also president of the regional central bank of Hesse, the German state which includes the banking centre of Frankfurt. He had held this position for only 2½ years of his eight-year term but was an energetic supporter of efforts to promote Frankfurt as the site of the European central bank and to develop its strength as a financial centre.

He supported reforms, such as a new supervisory body for the Frankfurt Stock Exchange, aimed at improving the city's financial status in competition with other European centres and preventing trading scandals like those which surfaced last year.

Mr Thomas, born in Chemnitz in Saxony in east Germany, also argued strongly in Bonn for reforms to the Bundesbank's structure which are now being implemented and which will make the council less unwieldy.

Unlike some of the other regional central bank heads who have a political background, Mr Thomas came from the ranks of the Bundesbank, where he had spent about 40 years after studying economics in Berlin. He became head of the credit department, an important part of the central bank's operations.

He had backed the Bundesbank's efforts to damp down inflation and curb money supply growth, including the latest interest rate rises.

Mr Thomas's successor as president of the central bank of Hesse, and thus as a member of the Bundesbank council, will be chosen by the state government in Wiesbaden in conjunction with the upper house of the Bonn parliament.

## Britain seeks to defuse border control dispute

By David Owen in London and Andrew Hill in Brussels

MR Kenneth Clarke, Britain's home secretary, is examining how further to lighten the burden on European Community citizens posed by British immigration and passport controls, in an attempt to defuse the long-running dispute over Britain's intention to retain border checks beyond the end of this year.

But the European Commission is maintaining that all border controls must be lifted from January 1, 1993. According to the Home Office, Mr Clarke has given an undertaking to Mr Martin Bangemann, European internal market commissioner, that he will "reflect on what more could be done to lighten the touch on EC nationals".

Mr Bangemann yesterday denied reports that the Commission had already agreed to allow the UK to keep border controls on people. He said Brussels stood to its interpretation of the Single European

Act, which aims to establish a barrier-free internal market. He and Mr Clarke will meet again on September 1 to discuss the issue.

In theory the Commission could take any member state which retains border controls to the European Court of Justice. It is more likely that the January 1 deadline will be postponed, as other EC members are worried that external borders will not be strong enough to allow all controls to be lifted.

The Home Office said that Britain's determination to retain immigration controls on third-country nationals travelling from EC countries would require a "light" passport check on EC nationals "simply to establish their nationality".

Mr Clarke told EC immigration ministers in June that it would not be in anyone's interest to have "a major row" on the issue, "especially given the difficulties surrounding ratification of the Maastricht treaty".

## Russian cabinet split over big credit boost

By John Lloyd in Moscow

A ROW has broken out inside the Russian government, and between the administration and the central bank, over the issuing of a further Rb1,000bn of credit by the bank to prop up large state companies struggling under vast loads of debt.

Mr Vyacheslav Stetsko, chairman of the parliamentary subcommittee for privatisation, said the move would "push the country to the edge of an horrendous economic crisis" and raise inflation to between 70-90 per cent a month, from 15 per cent now.

Mr Victor Geraschenko, the new acting chairman of the central bank, promised to issue the credit at the end of last week, though most ministers appear to be strongly opposed. However, at least two - Mr Georgy Khizha, deputy prime minister, and Mr Viktor Chernomyrdin, minister for fuel and energy - were reported yesterday to support the move.

Even so, Mr Vladimir Shumeiko, the first deputy

prime minister, is said to be against the plan.

All three ministers were brought into the cabinet in June, in a move seen as aimed at diluting the radicalism of the cabinet of Mr Yegor Gaidar, the acting prime minister.

In an article in the newspaper *Izvestia* yesterday, Mr Stetsko said Mr Geraschenko's decision would destroy the economic policy of President Boris Yeltsin and the government. The largest share of credits would go to enterprises which had run up the largest debts because they sold nothing anyone wanted to buy or had put up their prices beyond consumers' reach.

Mr Geraschenko's policy - which is to support industry, attempt to pay back foreign debts and postpone both the struggle against inflation and any attempt to make the rouble convertible - is opposed, with increasing directness, both to the policy of the government and to measures recommended by the International Monetary Fund.

## Sejm strengthens Polish government

By Anthony Robinson, East Europe Editor

THE Polish parliament (Sejm) has voted to strengthen the hand of government and tackle the long-standing conflict with President Lech Walesa which led to political instability and delayed economic reforms and foreign investment.

Under constitutional amendments which received the required two-thirds parliamentary majority at the weekend, Ms Hanna Suchocka's government will be able to bypass lengthy parliamentary procedures and make economic policy decisions by decree.

President Lech Walesa is expected to approve this shortly although he is not entirely happy with changes which could improve government efficiency but diminish his own freedom of manoeuvre.

The latest amendments give Mr Walesa greater say in forming new governments but make it much harder to dismiss them. The president is recognised as the highest representative of the state in both internal and external relations, but the amendments included in the so-called "small constitution" make it possible for the government to rule by decree.

Parliament's willingness to give greater powers to the government reflects awareness of public disapproval of the government's inability to react quickly to economic problems and frequent government crises. The latter have been exacerbated by the ill-defined division of powers between the president and governments proposed by him.

The strictly constitutional aspects are only part of a wide-ranging effort to improve the efficiency of government and reform the military and security structures inherited from the communist era.

At a meeting with provincial governors at the weekend Mrs Suchocka said she wanted to set up a professional, apolitical civil service and improve the management of the many enterprises still in state hands. The government was also looking at ways of increasing workers' share of enterprise ownership but had decided against any automatic debt relief for beleaguered state enterprises.

Meanwhile the National Defence Committee, the top level defence planning body chaired by Mr Walesa but including the prime minister and the ministers of foreign affairs, internal affairs and finance, has worked out a new draft defence doctrine. This has at its heart an apolitical, smaller army of 250,000 distributed around the country. It will have far fewer generals, 150 instead of 450, and professional staff officers. Poland will also create a rapid deployment force from which Polish contingents to future international peace keeping operations will be drawn. Mr Walesa stressed that Poland's long term aim is "full integration with the North Atlantic Alliance and the European Union".

Apart from its defence functions, the armed forces must also be able to cope with internal threats which may emerge during the transition to a market economy, Mr Walesa said.

There are strikes over pay in the Polish copper industry and at the small-car plant recently bought by Fiat. Overall however the Polish economy appears to be recovering after three years of steep recession in the public sector, accompanied by rapid small scale privatisation, with rising exports helping to create a nearly \$1bn current account surplus over the first half of the year.

Mr Thomas's successor as president of the central bank of Hesse, and thus as a member of the Bundesbank council, will be chosen by the state government in Wiesbaden in conjunction with the upper house of the Bonn parliament.

## Europe's spending on advertising falls

By Gary Mead, Marketing Correspondent

EUROPEAN advertising expenditure declined sharply in 1991 according to figures published yesterday by Zenith Media, the media buying and planning wing of the Saatchi and Saatchi advertising group.

Advertising revenue in Spain collapsed last year, following six years of real growth in excess of 11 per cent annually. Zenith expects the decline to continue this year, despite the impact of the Barcelona Olympics and Seville's Expo '92. The recent proliferation of television channels in the country has led to heavy discounting of advertising space.

In France, the world's fifth largest advertising market by expenditure, a return to real growth is not expected before 1994. The French industry is fore-

WORLD ADVERTISING EXPENDITURE SUMMARY									
(Year-on-year % change)									
	1991	1992*	1993*	1994*	1995*	1996*	1997*	1998*	1999*
Major media	Nominal	Real	Nominal	Real	Nominal	Real	Nominal	Real	Real
North America	-1.8	-5.9	1.5	-1.5	3.3	-0.3	3.8	0.1	
Europe	2.7	-2.3	5.9	0.7	6.6	1.5	7.5	1.7	
Asia/Pacific	4.2	0.0	7.4	4.0	7.4	3.5	7.7	3.6	
Latin America	9.3	n/a	14.6	n/a	14.3	n/a	14.9	n/a	
Africa/Middle East	9.3	n/a	10.5	n/a	11.4	n/a	12.1	n/a	
Rest of world	1.4	-3.1	4.8	0.6	5.8	1.2	6.5	1.5	
Total									
	1.4	-3.1	4.8	0.6	5.8	1.2	6.5	1.5	

\*Projection

cast to grow in nominal terms by 2.4 per cent this year, representing negative real growth of 0.6 per cent.

Negative real growth is also expected in Finland, the Netherlands, Sweden and Switzerland.

Zenith suggests there is ground for optimism in the UK, with television advertising expenditure up by 2.1 per cent in real terms in the first half of

1992. However, the figure must be set against a real decline of 4.1 per cent in UK television advertising revenue last year.

The US advertising industry also saw slight improvement in the first half of this year. According to the study, US advertising - which accounts for about 39 per cent of world major media expenditure - should move from decline

into real growth in 1994. But Zenith has revised downwards its forecasts made last December for global advertising spending in 1992, moving from 5.5 per cent to 4.8 per cent nominal growth, or 0.6 per cent in real terms.

Advertising Expenditure Forecasts, available from Zenith Media Worldwide, Bridge House, 63-65 North Wharf Road, London W2 1LA. 0173.

## Isolated Macedonia holds on to stability and a name

Kerin Hope finds the independent but unrecognised ex-Yugoslav republic enjoying rare political and economic order

INDEPENDENT but unrecognised, the beleaguered ex-Yugoslav republic of Macedonia is still managing to hold on to political and economic stability.

Mr Petar Gosev, the prime minister designate, is expected to announce a new government this week. It will be a delicately balanced coalition between his ex-communist Social Democrat party and the ethnic Albanian party for Democratic Prosperity.

Its survival will depend on whether the European Community decision in June that Macedonia should not be recognised under its present name can be reversed. Greece, its southern neighbour, insists on a change of name on the grounds that an independent Macedonia could one day make a territorial claim on the

adjoining Greek province of the same name.

But Mr Kiro Gligorov, Macedonian president, and Mr Gosev say they have little room for manoeuvre. Mr Gligorov says: "Without the name, we have no identity. It distinguishes us from other Slavs. The Greeks say, denounce the name and then we will talk. But who can do that?"

If the new government compromises on the issue of the name, it risks provoking an outburst of nationalism that could be exploited by the main opposition party, the Internal Macedonian Revolutionary Organisation (VMRO). Tension is already apparent between extremist nationalists in VMRO and the ethnic Albanian minority, which makes up more than a quarter of the country's 2.3m population.



Macedonia has joined the UN embargo against Serbia, its main trading partner. Accord-

ing to Mr Ivanco Stefanov, foreign undersecretary, the cost of applying sanctions will amount to \$1.3bn, equivalent to Macedonia's total annual export earnings before the collapse of the Yugoslav federation.

Efforts are under way to ensure that technical assistance from the European Bank for Reconstruction and Development can continue. But Macedonia will not be eligible for EC financial aid or for loans from international institutions.

Greece has been enforcing unofficial sanctions in recent months. About two-thirds of Macedonian imports used to come by road from the northern Greek port of Salonika, but delays and obstruction on the part of Greek officials have forced Macedonian companies to find an alternative route

through Bulgaria. Shops in Skopje, now mostly under private ownership, are well stocked as the government rarely attempts to collect customs duties on consumer goods shipped through Bulgaria, according to local businessmen. Food prices have come down, thanks to a good harvest and lack of opportunity to export.

Still, Macedonia's economic policymakers have a difficult course to steer. "We must be pragmatic about coping with our predicament but we can't abandon plans for restructuring to develop a full market economy," says a government adviser.

One pressing problem is to find backing for a new currency, the denar, due to be launched by the end of 1992. Yugoslav dinars were with-

drawn from circulation as part of an anti-inflation package launched in April. They were replaced with a transitional currency, the Macedonian coupon, on a one-for-one basis.

A public-sector wage freeze was imposed at the same time, together with price controls on a basic shopping basket, including bread, sugar and cooking oil. The result has been the monthly inflation rate has fallen from 80 per cent in April to 17 per cent in June. But Macedonia's foreign exchange reserves total less than \$40m, including \$5m in gold. "We need a substantial loan if we are to make the denar convertible, but international recognition is necessary first to establish our creditworthiness," says Mr Borko Stanoevski, central bank governor. The transitional currency is

unofficially propped up by a steady inflow of D-marks, estimated at more than \$750m last year, brought home in cash by migrant workers in Switzerland and Germany. Coupons are used for public sector wages and payments, while the D-mark serves as a parallel, convertible currency for the private sector.

Meanwhile, the government is pressing on with legislation to attract foreign investors and broaden the privatisation programme to include more than 1,400 industrial and service sector companies. One encouraging sign is a project by Daewoo, the South Korean electronics giant, to start producing telecommunications equipment later this year at a state-owned plant on Lake Ochrid, close to the Greek border.

## Analysts criticise Belgian budget

By Andrew Hill in Brussels

THE Belgian government yesterday unveiled a surprisingly soft budget for 1993, which was sharply criticised by economists and market analysts.

The measures should reduce the country's large budget deficit from an estimated 5.7 per cent of gross national product in 1992 to 5.2 per cent next year. The target is to reduce the deficit to 3 per cent of GNP by 1996, one of the criteria for European economic and monetary union (Emu).

Analysts were unhappy that Mr Jean-Luc Dehaene, Belgium's prime minister, had not persuaded cabinet colleagues to push for a more drastic reduction in the deficit to 4.9 per cent of GNP in 1993. Mr Dehaene had been expected to follow up the strict measures introduced in April's "emergency" budget for 1992.

Commentators said, in particular, that the government had not done enough to tackle the looming problem of expenditure on unemployment benefit, which was roundly criticised in an Organisation for Economic Co-operation and Development (OECD) report on Belgium, published last month.

The government is proposing to freeze general income tax bands, which would normally increase in line with inflation. The temporary suspension of indexation should raise about BFr57bn (\$1.87bn) over the next four years. The government is also planning an increase in taxes on fuel and a small annual tax on "co-ordination centres" - the headquarters of multinational companies established in Belgium. Analysts were also surprised by undefined proposals to sell some state assets, which the government said could raise about BFr50bn over four years.

## W German output falling

By Christopher Parkes in Bonn

WESTERN Germany's industrial output in the second quarter of this year was 2.2 per cent lower than in the first three months, the Economics Ministry reported yesterday.

The ministry, which also revised May production figures from a provisional increase of 0.7 per cent to a fall of 0.1 per cent, unveiled a 2.1 per cent month-on-month drop for June, laid part of the blame on the early start to the holiday season.

However, the figures revealed the underlying economic slowdown, masked earlier in the year by the beneficial effects of unusually mild winter weather on sectors such as construction.

The seasonally-adjusted index of industrial production, which had been falling gently earlier in the year, fell 2.5 points to 118.7 in June and stood 5.6 points below the level of June 1991.

A two-month comparison of output in May and June with the same period in 1991 showed a 2.1 per cent drop. Only raw materials and construction showed any improvement. Output of capital goods fell 3.3 per cent. Consumer durables were down 3.5 per cent and food and drink output fell 4.5 per cent.

In a similar comparison with March and April of this year - two-month series are considered to be less susceptible to short-term influences - industrial production fell 1.5 per cent.

The Financial Times (Europe) Ltd  
Published by The Financial Times  
(Europe) GmbH, Frankfurt Branch,  
Nebelungstrasse 1, 6000  
Frankfurt-am-Main 1. Telephone 49 69  
15850. Fax 49 69 5964431. Telex  
416193. Represented by E. Hugel,  
Managing Director. Printer: DVM  
GmbH-Hörfel International, 6078  
Neu-Isenburg 4. Responsible editor:  
Richard Lambert, Financial Times.  
Number One Southwark Bridge,  
London SE1 9HL. The Financial Times  
Ltd, 1992.

Registered office: Number One,  
Southwark Bridge, London SE1 9HL.  
Company incorporated under the laws  
of England and Wales. Chairman:  
D.E.P. Palmer. Main shareholders: The  
Financial Times Limited, The Financial  
Times Newspaper, The Financial  
Times Group Ltd. Director: J.  
Rolley, 168 Rue de Rivoli, 75004 Paris  
Cedex 01. Tel: (01) 4297 0621; Fax: (01)  
4297 0622. Editor: Richard Lambert.  
Printer: SA Nord Editeur, 1571 Rue de  
Caire, 59100 Roubaix Cedex 1. ISSN:  
ISSN 1148-2753. Commission Paritaire  
No 67828D.

Finland: Times (Scandinavia)  
Vimmlakatu 42A, DK-1161  
Copenhagen K, Denmark. Telephone  
33 13 44 41. Fax 33 13 93333.



# Collor tries to hold power by spending

By Christina Lamb  
in Brasilia

BRAZIL'S economic realities were thrown to the wind yesterday as beleaguered President Fernando Collor held a crisis meeting of his economic team to draw up an "anti-impeachment plan". His aim is to cling to power at all costs.

The São Paulo stock market closed 7.3 per cent down on the day yesterday, after the Brazilian press had reported that senior economy ministry officials, including Mr. Francisco Groes, central bank governor, were threatening to resign over Mr. Collor's decision to relax the economic austerity and redraw the government budget to devote resources to projects such as road-building.

He would thus seek crucial support in Congress for the president needs the

votes of 158 Congress members to survive the impeachment initiative, expected to begin next week, over his ties to Mr. Paulo Cesar Farias, a businessman under investigation for alleged running of a multi-million-dollar bribery scheme.

The members of the economic team are eager to resist compromising the economic stabilisation programme, as this could jeopardise the country's access to the International Monetary Fund and agreement in principle with creditor banks to help on the restructuring of \$20bn in government debt.

The political crisis could hardly have come at a better time in terms of the economy. Inflation remains near 22 per cent a month, domestic debt is soaring — up 157 per cent so far this year in real terms — the revenues are 18.4 per cent down and unemployment in São

Paulo, the country's industrial heartland, is at record levels.

With urgently-needed fiscal reform delayed by the political crisis, Brazil is continuing to miss the targets of its IMF accord, agreed in January, and it is becoming increasingly difficult for Mr. Michel Camdessus, IMF managing director, to keep the agreement in place. Officials of the Brazilian economy ministry admit that no one wants to head a mission to Washington to explain.

Mr. Collor is in a very sensitive position. On the one hand, he needs to open Treasury coffers to buy political support; on the other, he cannot risk resignations from his cabinet. If one minister goes, others may well follow. The continued presence in the cabinet of Mr. Marcello Marques Moreira, the well-respected economy minister, is seen as

more important to the country's stability than the survival of Mr. Collor.

Yesterday, the minister denied that key members of the economic team had threatened to resign over Mr. Collor's efforts to redraft the budget.

The government hopes Congressional enthusiasm for impeachment will be dampened by threats from Mr. Farias to expose over 100 federal and state legislators he claims to have helped financially in their election campaigns. Congress has not yet considered any impeachment requests against Mr. Collor; a Congressional committee investigating the corruption charges is still a week away from announcing its findings. Mr. Jorge Bornhausen, minister in the president's office, said at the weekend a request for impeachment was inevitable, but "the impeachment will not pass."

# If it's in Spanish on the box, it must be Televisa

Damian Fraser tracks the Hispanic media empire

WATCH a soap opera in Lima, Caracas, Mexico or Miami, and the chances are it will have been made by Televisa, the giant Mexican television company. Turn on the international news, and it will probably have been produced by Echo, Televisa's Spanish-language alternative to CNN. Buy a Spanish-language glossy magazine, and it may well have been published by a Televisa subsidiary.

Televisa is rapidly becoming the Hispanic world's dominant media group. It has recently bought large stakes in television channels in Chile and Peru and has joint ventures with others in Venezuela and Argentina.

In April, it bid, with partners, \$550m for Univision, the largest Spanish-language network in the US. Last week it paid \$130m for the American Publishing Group, distributor of some 80 Spanish-language titles, turning Televisa into the world's largest Spanish-language publisher.

The company has a near total stranglehold on entertainment in Mexico, controlling 90 per cent of the television market, 10 radio stations, the largest cable station, record labels, two national football teams, the national bull ring, popular magazines, and one of the best museums.

If Televisa succeeds in its ambition of dominating Latin America's airwaves, Mr. Emilio Azcarraga, the company's president, will become not just the continent's most powerful media baron, but arguably as important in Latin America as William Randolph Hearst was in the US in the 1920s. Mr. Azcarraga known as *El Tigre*, is already Mexico's richest man, worth \$2.8bn, according to Forbes magazine.

Televisa's purchases of Hispanic channels are intended to let it take a bigger slice of profits generated from its hugely popular soap operas (*telenovelas*). Televisa produces about 40 per cent of all Spanish-language television shown in Latin America and the US. At present it earns just the distribution fees — around 15-25 per cent of profits generated by their programmes. It would like to increase this to at least 50 per cent, explains Mr. Fernando Diez Barroso, Televisa's vice-chairman.

But many Televisa watchers see a different plan. The larger and more powerful Televisa becomes in the Hispanic world, the harder it can squeeze its competition, its long-suffering advertisers, and its huge in-house stable of Spanish-speaking performers.

The Mexican government is about to privatise two network channels, 7 and 13, and Univision — until Mr. Azcarraga has used an American investor, Mr. A. Jarrold Perenchio, as a frontman to circumvent FCC rules that limit foreign ownership of stations to 25 per cent. Mr. Diez Barroso describes the charge as ludicrous, given that Mr. Perenchio is a respected producer in his own right.

Ms. Esther Renteria, head of the National Hispanic Media Coalition in Los Angeles, is also fearful about biased news coverage. Televisa rarely criticises the Mexican government, almost never covers demonstrations alleging vote fraud, or embarrasses it in any way.

"The Mexican government uses newspapers to form political opinion, and Televisa to shape public opinion," explains Raymundo Riva Palacio, a columnist for *El Financiero* newspaper.

Televisa already has an option to increase its stake in Univision, if the proposed North American Free Trade Agreement changes FCC rules with regard to Mexican purchases. Mr. Diez Barroso is clear about his company's ambitions in North America: "We see this as one market in years to come, speaking two different languages. We will be number one in the Spanish-speaking part."

He readily accepts that Televisa's vast presence gives it an advantage over competitors. "We can offer actors a soap opera for six months, then a movie. After that they can work in a nightclub. And if the lady sings we can cut her a record, and it is distributed throughout the world." In return, "we are going to ask her to behave in a certain manner. It's like the star system in old Hollywood."

Hispanic groups in the US have objected to Televisa's intended minority purchase of Univision — still subject to approval by the Federal Communications Commission — in part because of the feared cultural effects of having this monolith responsible for US Spanish-language television.

## Purchasing index shows low growth

By Michael Prowse  
in Washington

THE Purchasing Managers' Index — a closely-watched indicator of the health of US manufacturing — registered a small rise last month, suggesting factory output is continuing to grow sluggishly.

The index rose to 54.3 per cent, against 52.8 per cent in June, a bigger increase than generally expected in financial markets.

However, the index remained below its recent high of 56.3 per cent in May and far below the levels expected in a normal economic recovery.

The report provides no comfort for the Bush administration, which was hoping for a significant acceleration of growth in the second half. Also, the index's resilience argues against a triple-dip recession involving a fresh decline in output.

Mr. Robert Bretz, for the National Association of Purchasing Management, said the figures pointed to continuing economic growth at the sluggish pace registered in the second quarter. Gross domestic product grew at an annual rate of 1.4 per cent in April-June, according to a preliminary Commerce Department estimate published last week.



JUST SMILING IN THE RAIN: President Bush makes light of a storm during a campaign stop in Illinois at the weekend

## Guatemala peace talks resume with new hope

THE Guatemalan government and left-wing guerrillas, seeking to end the long-running conflict in that country, resumed peace talks in Mexico City yesterday, with the first real hope of progress in nine months, agencies report from Guatemala City.

The negotiations to end a war that has cost more than 100,000 lives over three decades began in April 1991 and have been near deadlock over human rights since October.

## Mexico parties dispute results of state polls

MEXICO'S ruling Institutional Revolutionary Party (PRI) and the conservative opposition National Action Party (PAN) both claimed the lead yesterday as officials counted votes from a northern state election, AP reports from Durango.

Each accused the other of cheating after polls were held in Durango and five other states on Sunday.

Mr. Francisco Gamboa Herrera, PRI chairman in Durango, said early reports indicated his party would win 50 per cent of the vote, enough for "an unquestionable triumph."

Mr. Rodolfo Elizondo, the PAN candidate, said 14 per cent of the vote put him four-to-three ahead of his PRI rival, Mr. Maximiliano Silerio Esparza, former agrarian reform minister.

Official results are due today but will not be certified until August 9, giving parties a chance to challenge the declared count.

## Analysts criticise Belgian budget

By Andrew Hill in Brussels

THE Belgian government yesterday unveiled a sharply soft budget for 1993, which was sharply criticised by economists and market analysts.

The measures should reduce the country's large budget deficit from an estimated 51 per cent of gross national product in 1992 to 5.5 per cent next year. The target is to reduce the deficit to 1 per cent of GNP by 1995, one of the criteria for European economic and monetary union.

Analysts were unhappy that Mr. Jean-Luc Dehaene, Belgium's prime minister, had persuaded cabinet colleagues to push for a more drastic reduction in the deficit to 1 per cent of GNP in 1993. Dehaene had been expected to follow up the strict measures introduced in April's "emergency" budget for 1992.

Commentators said, in particular, that the government had not done enough to tackle the looming problem of expenditure on unemployment benefits, which was bound to rise in an Organisation for Economic Co-operation and Development (OECD) report Belgium published last month.

The government is expected to freeze general income tax bands, which would normally increase in line with inflation. The temporary suspension of a surcharge on profits above 50 per cent, set to take effect next year, was also criticised. The government is also planning a 10 per cent increase in the value-added tax on the sale of new cars.

Analysts were also sceptical by a unilateral proposal to cut some state-owned firms, which the government said would save 50,000 jobs.

## W German output falling

By Christopher Parkes  
in Bonn

WESTERN Germany's industrial output fell in the third quarter of the year, while output in the east rose for the third month, the Federal Ministry reported yesterday.

The ministry said that output in the west fell 0.7 per cent on the previous quarter, and on the year fell 1.4 per cent. Output in the east rose 0.7 per cent on the previous quarter, and on the year rose 1.4 per cent.

However, the ministry said that output in the west fell 0.7 per cent on the previous quarter, and on the year fell 1.4 per cent. Output in the east rose 0.7 per cent on the previous quarter, and on the year rose 1.4 per cent.

The ministry said that output in the west fell 0.7 per cent on the previous quarter, and on the year fell 1.4 per cent. Output in the east rose 0.7 per cent on the previous quarter, and on the year rose 1.4 per cent.

The ministry said that output in the west fell 0.7 per cent on the previous quarter, and on the year fell 1.4 per cent. Output in the east rose 0.7 per cent on the previous quarter, and on the year rose 1.4 per cent.

The ministry said that output in the west fell 0.7 per cent on the previous quarter, and on the year fell 1.4 per cent. Output in the east rose 0.7 per cent on the previous quarter, and on the year rose 1.4 per cent.

The ministry said that output in the west fell 0.7 per cent on the previous quarter, and on the year fell 1.4 per cent. Output in the east rose 0.7 per cent on the previous quarter, and on the year rose 1.4 per cent.

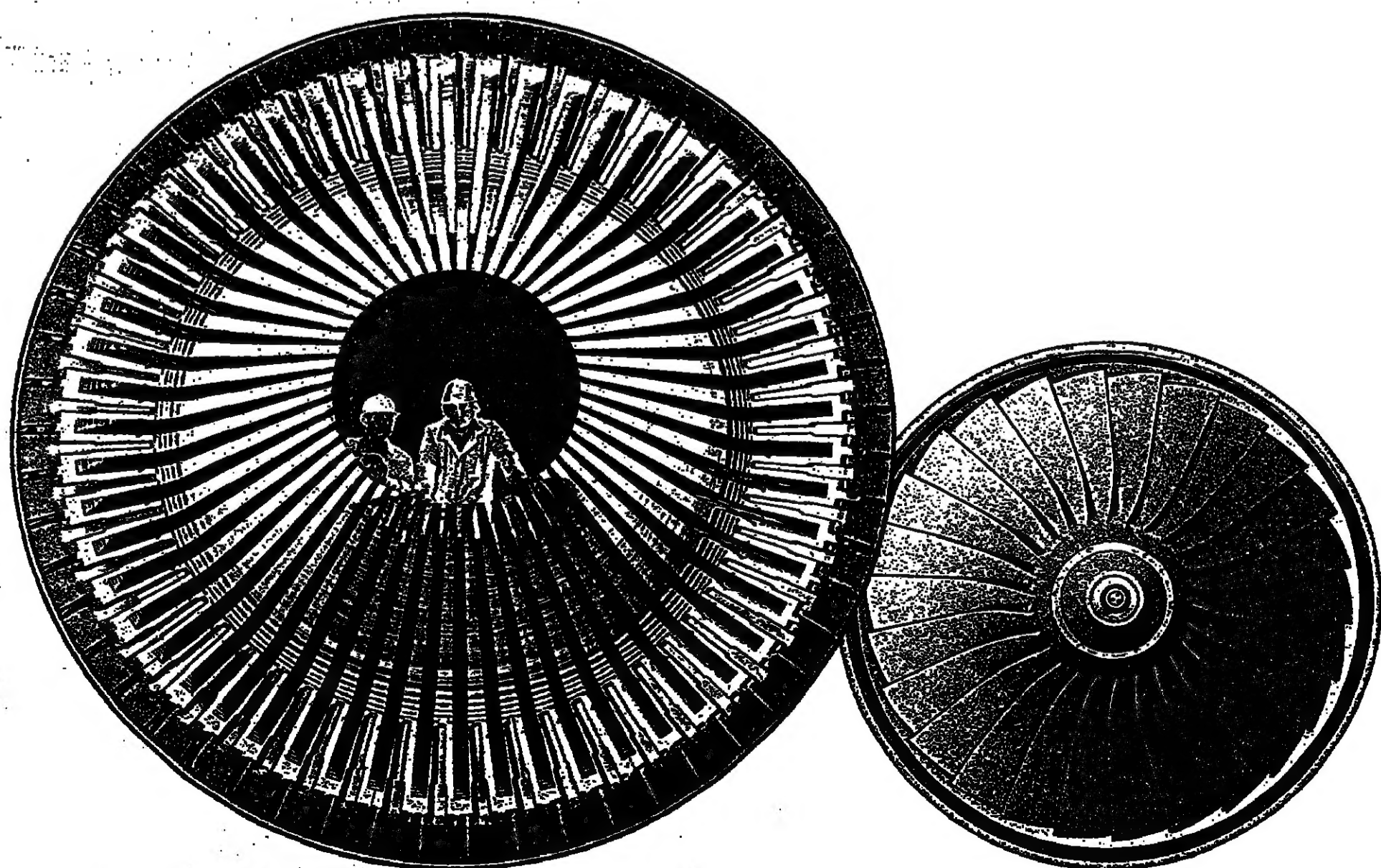
The ministry said that output in the west fell 0.7 per cent on the previous quarter, and on the year fell 1.4 per cent. Output in the east rose 0.7 per cent on the previous quarter, and on the year rose 1.4 per cent.

The ministry said that output in the west fell 0.7 per cent on the previous quarter, and on the year fell 1.4 per cent. Output in the east rose 0.7 per cent on the previous quarter, and on the year rose 1.4 per cent.

The ministry said that output in the west fell 0.7 per cent on the previous quarter, and on the year fell 1.4 per cent. Output in the east rose 0.7 per cent on the previous quarter, and on the year rose 1.4 per cent.

The ministry said that output in the west fell 0.7 per cent on the previous quarter, and on the year fell 1.4 per cent. Output in the east rose 0.7 per cent on the previous quarter, and on the year rose 1.4 per cent.

# ENGINEERS EXTRAORDINARY



AS RECOGNISED by our customers, innovation and engineering excellence are the core strengths of Rolls-Royce. They are demonstrated by the Trent wide chord fan engine for the Boeing 777 and Airbus A330 and this stator core for a 350MW generator built by Parsons, a company within the Rolls-Royce Industrial Power Group.

Strengthened by a diverse industrial power portfolio, including Reyrolle (switch-gear) and Clarke Chapman (lifting gear), Rolls-Royce sales show it pays to put engineering at the forefront.



THE SYMBOL OF POWER

ROLLS-ROYCE plc, 65 BUCKINGHAM GATE, LONDON SW1E 6AT.



## NEWS: INTERNATIONAL

# Strike sparks growth fears in S Africa

By Philip Gawith in Pietermaritzburg

THIS week's general strike and mass action campaign in South Africa takes place against a crescendo of alarm bells about the weak state of the country's economy.

Mr Derek Keys, minister of finance, said last week that although the short-term disruption caused by the strike would be substantial in terms of jobs lost, income forgone and general disruption, there was also a danger of more lasting damage.

"If this stayaway becomes prolonged for purely political reasons, if it becomes more than simply a gesture of protest, the verdict of the overseas markets is going to be adverse and there is no court of appeal," said Mr Keys.

Mr Keys's comments coincided with a warning by the Old Mutual, the country's largest financial institution, of the damage being caused by political uncertainty.

Mr Dave Mohr, chief economist, said it needed to be asked "whether the economy will recover at all until such time as the current political disputes have been settled and greater certainty reached about the political situation in general".

Mr Mohr added: "Put differently, there is growing concern that the long-term deterioration in the domestic growth performance may persist for some years to come". The growth performance of the economy over the past three years has been the poorest for any three-year period since the second world war.

The economy slumped by 0.5 per cent in 1990 and 0.6 per cent in 1991. Earlier this year, there was consensus among economists that a positive growth rate of up to 2 per cent would be achieved in 1992.

Slower recovery in world

markets, an unexpected deepening of the domestic recession and a disastrous drought, however, have resulted in a drastic downward revision of forecasts.

Old Mutual is now forecasting a decline of 1.5 per cent or more in real GDP for the year, while ABSA, South Africa's largest banking group, is forecasting a 1 per cent decline.

The further slowdown in the economy has serious fiscal implications. The Treasury was forced to concede recently that its revenue forecasts for fiscal 1992-3, on which a forecast budget deficit of 4.5 per cent had been based, now looked "somewhat optimistic".

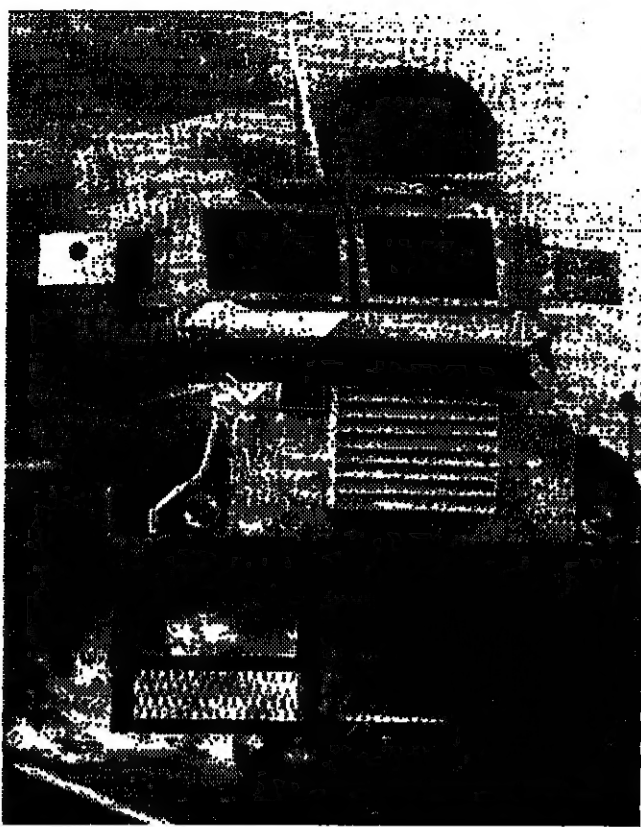
**'If this stayaway is prolonged...the verdict of overseas markets will be adverse'**

Old Mutual says that a deficit of "well over 5 per cent" is "very likely", while ABSA is forecasting 6.1 per cent.

The strike was broadly effective yesterday in urban centres but patchy in the mines which produce much of the nation's wealth. Mining houses said gold and platinum production was virtually normal but coal was hit, Reuter adds.

The South African Chamber of Business (Sacob) said the workers' stayaway was influenced by intimidation, transport difficulties and contingency plans made by employers. There were wide disparities in regional and business sector absenteeism, it said.

"The full [economic] impact on business has still to be evaluated," it added. "The total stayaway is not likely to have exceeded 2m workers in the private sector."



CONFRONTATION: An armoured car smashes a barricade in a township outside Cape Town while, right, a man lies dead in Soweto after police clash with strikers

## Image belies reality in violent capital

Thousands have died but yesterday Pietermaritzburg was quiet, writes Philip Gawith

IMAGE belies reality on a balmy day in Pietermaritzburg yesterday.

More than 3,200 people have died in the townships in and around the Natal capital since January 1987, victims of the bitter rivalry between the African National Congress and Inkatha. So far, however, the tensions surrounding the two-day ANC strike have not turned into widespread violence.

The townships surrounding Pietermaritzburg have for long been part of the front line in one of the most strife-torn regions of South Africa, and tensions built up considerably in the last few weeks as the strike grew closer. Both the ANC and the Inkatha Freedom Party (IFP), the two main warring political groupings in the area, suffered attacks over the weekend.

But yesterday it was mostly quiet. This was borne out by a three hour trip through the

main IFP and ANC support regions in the surrounding area.

Mr Radley Keys, an unrest monitor for the Democratic Party, did say he had received a number of reports of people being "intimidated" to stay away from work.

Not all parts of Natal were as fortunate as Pietermaritzburg. Twenty one deaths were reported in the province on Sunday and Monday. Eleven of

their car in Sebokeng south of Johannesburg, police said.

Both men were flown to clinics in Johannesburg.

A clinic official declined to comment on Mr van Niekerk's condition but a Weekly Mail reporter said it was believed to be stable.

An official at the clinic treating Mr Taylor said he was stable and was to undergo surgery last night to have a bullet removed.

The victims were shot on Sunday night in four separate, but related incidents in the East-havini township near Empangeni, north of Durban.

Police said they had no knowledge of who was responsible for the attacks or whether they were related to the strike.

Mr M.G. Ramcharan of Guyana, one of the ten UN officials in the country to monitor the violence, flew to the scene to investigate. His American col-

league, Mr John Renninger, monitored the Midlands region both in helicopters.

In the Northern, poorer end of Pietermaritzburg, taxi ranks servicing the main black areas, like Imbali, Edendale, Sweetwaters and Vullindela, were deserted. Mr Keys said: "This gives one an idea of the stranglehold on transport that is being exercised."

From Pietermaritzburg we drove to Mphahlele, the

small ANC stronghold near Howick which has been a scene of bitter conflict in the past. Yesterday there was a relaxed atmosphere.

Schools were closed and pupils at home, but there was no marching in the streets. The same pattern was found in Edendale and Imbali, where Mr Alphas Sibisi, a member of the local civic described the stayaway as "very quiet, but very supportive."

In Durban roads leading to Kwamashu, Umlazi and other large townships were barricaded to prevent people getting to work.

According to the South African rail commuter corporation, trains which normally carry about 50,000 people every morning were running at 2 per cent capacity.

Preliminary figures from the South African Labour Bulletin estimated a 76 per cent stayaway in Durban.

## NEWS IN BRIEF

### EC agrees food aid for Somalia

THE European Commission yesterday approved 10,000 tonnes of emergency food aid to drought-stricken Somalia, Reuter reports from Brussels. The aid is to support operations of the International Committee of the Red Cross.

The Commission also approved 140 tonnes of high-nutrition food aid to Somali refugees in Yemen and an extra Ecu4m (£2.22m) in non-food aid.

### Britons sue over Kuwait flight

British Airways said yesterday it was being sued by six Britons in Edinburgh held hostage from a flight that landed in Kuwait hours after the Iraqi invasion two years ago, Reuter reports.

BA is also being sued by 65 French passengers and 48 relatives of passengers on BA's flight 149 who demanded compensation for mental anguish. The French lawsuit demands FF52m (£5.3m).

### At least 26 die in Tamil ambush

Fourteen government soldiers and at least 12 Tamil rebels were killed when separatist ambushed troops in east Sri Lanka jungles yesterday, a military spokesman said, Reuter reports from Colombo. The rebels ambushed two army groups, totalling 25 soldiers.

### Ramos threat to communist rebels

Philippine President Fidel Ramos said yesterday he would stamp out communist rebels if they refused his offers of peace, Reuter reports from Manila.

Mr Ramos, has offered to legalise the banned Communist Party of the Philippines and grant amnesty to New People's Army (NPA) guerrillas if they renounce armed struggle.

### Mozambique peace talks

President Joaquim Chissano of Mozambique and Afonso Dhlakama, head of the Mozambique National Resistance (Renamo), are due to meet in Rome tomorrow to try to hammer out a peace agreement, Reuter reports from Rome.

It is the first meeting between the two sides in 18 years of conflict.

### Japanese envoy for Cambodia

Japan is sending a military envoy to Cambodia this week to pave the way for the arrival of the first contingent of peace-keeping troops, a Defence Agency official said yesterday, Reuter reports from Tokyo.

Mr Shigeru Hatakeyama, director-general of the agency's Defence Policy Bureau, will leave today for a six-day visit.

### League quits Chad cabinet

The Chadian Human Rights League (LTDH) has withdrawn from Chad's troubled unity government after parliamentarians killed 14 while trying to arrest a Moslem preacher, Reuter reports from N'Djamena.

## Turkey soothes Syria fears

By John Murray Brown in Istanbul

SYRIA and Turkey have decided to revive joint ministerial meetings on water and agriculture.

During a weekend visit, Mr Hikmet Cetin, the Turkish foreign minister, reassured Mr Farouq al-Shara, his counterpart in Damascus, that Turkey would continue the supply of water to Syria, as under previous agreements.

Turkey controls the Euphrates river and has plans to irrigate more than 1m hectares close to the Syrian border as part of its \$32bn Gap project.

Water, however, is also vital for Syrian agriculture, and domestic and industrial supply. Under a 1987 protocol, a flow of 500 cubic metres a second, or about half the average discharge, was guaranteed at the common border, while Turkey's \$4bn Ataturk dam was under construction.

Turkish water officials say Syria can only use about a third of that amount, given saline soils and a higher rate of evaporation. Even so, Turkey has proposed various joint projects, including a plan to flood the common border to maximise power generation. It has also offered to supply power to

cities in northern Syria.

Mr Suleyman Demirel, Turkey's prime minister, last month strongly rejected Syrian calls to share the water: "We do not say we should share their oil resources. They cannot say they should share our water resources."

However, Mr Cetin's visit could pave the way for financial assistance for the Gap from World Bank and other western donors, which have been wary of supporting a project under dispute. Co-operation will be further enhanced by the weekend decision to revive the joint agriculture and water meetings.

## Indian PM denies probe interference

By Shiraz Sidhva in New Delhi

INDIA'S prime minister, Mr Narasimha Rao, yesterday denied that his office had "interfered or brought pressure" on Mr K. Madhavan, the head of the official investigation into the Bombay financial scandal. Mr Madhavan resigned last week, prompting speculation of political interference.

Mr Rao rejected opposition allegations that he had asked the joint director of the Central Bureau of Investigation (CBI) to "go slow" with an investigation against ministers and senior officers.

He said: "Nothing would be allowed to come in the way of a complete investigation. The guilty would be punished, and there was no question of any attempt to protect the guilty, no matter who the individual, or what his position in government or society." The prime minister also denied allegations that cabinet ministers were involved.

Mr Madhavan denied he had laid down conditions to with-

draw his resignation, and said the inquiry was "not dependent on one person" and would go on.

Mr George Fernandes, leader of the Janata Party, said: "The prime minister's remark that he 'would have liked Mr Madhavan to complete the important task entrusted to him' implies that they would like him to go." Mr Fernandes said he was approached by the government to persuade Mr Madhavan to change his mind and withdraw his resignation.

Suspected Sikh militants shot dead 29 Hindus, including three women and two children, in the northern state of Uttar Pradesh, Reuter reports from Lucknow.

Police said yesterday the bodies of the victims were found on the banks of the Khannaur river.

The latest deaths take the number of people killed in separatist violence in Uttar Pradesh to 200 in the past year.

In a separate incident in Punjab, at least five Sikh militants and an Indian army soldier were killed in a day-long gun battle near Amritsar.

## Radioactive waste protests halt court

By Kieran Cooke in Kuala Lumpur

AN APPEAL to the Malaysian Supreme Court brought by a Japanese-controlled company found guilty of emitting quantities of radioactive waste was abandoned yesterday amid chaotic scenes outside the court buildings.

The Asian Rare Earth company, 35 per cent owned by the Mitsubishi-Kasei group, Japan's largest chemical company, had lodged an appeal against an earlier court ruling to cease production at its plant near Ipoh, in northern Malaysia.

But proceedings at the supreme court were adjourned after about 2,000 protesters from Ipoh arrived outside the court buildings. Riot police prevented them from entering the court complex.

Asian Rare Earth produces minerals used in making electronic components. Last month the Ipoh High Court had found there was enough evidence to show that the health of local residents had been threatened by emissions from the Asian

Rare Earth factory, with a growing number of cases of leukaemia, infant deaths and congenital diseases reported in the surrounding area.

The factory had been ordered to shut down within two weeks, though no compensation was paid as the judge found that negligence by the company had not been proven.

Soon after the Ipoh court ruling local residents were angered when Asian Rare Earth succeeded in getting an interim stay of execution on the closure order from the Supreme Court. Yesterday's hearing was to decide on the validity of the original Ipoh High Court verdict.

While local residents have been involved in a lengthy campaign against Asian Rare Earth's activities, the issue has not received much publicity in Malaysia as a whole.

In Japan, however, several environmental groups have seized on the issue as showing that Japan is exporting its polluting industries overseas.

The Supreme Court hearing of the case is now scheduled for tomorrow.

## Islands offer confuses Japan

By Robert Thomson in Tokyo

THE Japanese government was confused yesterday by reports that Mr Boris Yeltsin, the Russian president, has prepared a new proposal to settle a dispute over the ownership of four islands known in Japan as the Northern Territories.

Tokyo was surprised by a suggestion from Mr Mikhail Poltorainin, Russia's deputy

prime minister, who arrived yesterday for a five-day visit, that the US may be involved in an agreement on control of four of the Kurile Islands.

The dispute dominates relations between the two countries, and Japan is unwilling to offer Russia substantial financial assistance until control of the islands, occupied by Soviet troops in 1945, is returned. Mr Poltorainin said the US

could be involved in an agreement to ensure the demilitarisation of the disputed islands, and added that Russia would abide by a 1956 agreement in which the Soviet Union agreed to hand back two of the islands.

The suggestion of US involvement bewildered Japanese officials. Japan still sees the fate of the four islands as a bilateral issue.

## Labor claims a 'gold medal' for economic policy

Australia's government is trying to turn the spotlight from the jobless to prices and trade figures, writes Kevin Brown

AUSTRALIA'S Labor government has pounced on improvements in the consumer price index and balance of payments to divert the spotlight away from record unemployment levels.

Mr John Dawkins, the federal treasurer, described the government's economic policy as a "gold medal performance". Mr Paul Keating, the prime minister, said Australia had "snapped the inflation stick".

The principal cause of the hyperbole was a reduction in the annual rate of inflation from 1.7 per cent in the three months to March to 1.2 per cent in the June quarter.

Success on the inflation front was followed by figures showing a 25 per cent reduction in the current account deficit to A\$11.7bn (£4.5bn) for the 12 months to the end of June, from A\$15.7bn in the previous year.

From the government's point of view, the inflation and current account figures provide a welcome diversion from its embarrassment at presiding over record unemployment of 11.1 per cent.

While the Australian economy is clearly in better shape than a year ago, there is plenty of evidence that

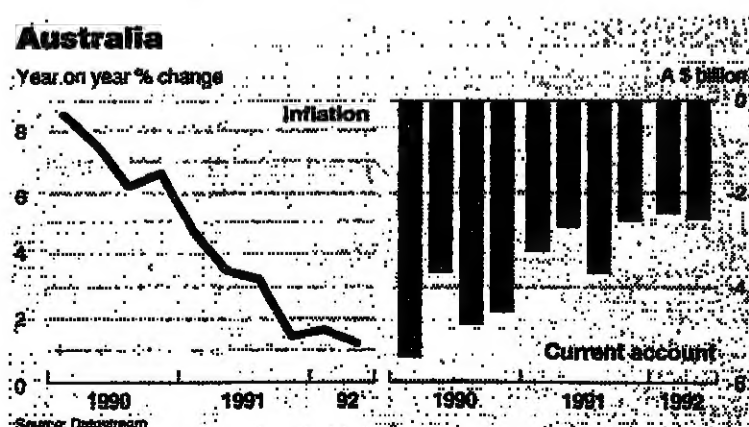
the patient may have to spend longer in the sick room than Mr Keating is prepared to admit. This could present a serious problem for Labor, which is trailing the opposition conservatives in the opinion polls, but must call a federal election by June next year.

The good news is that inflation is likely to remain fairly low, although the inflation stick appears more likely to have been bent than snapped. Most economists expect the annual rate to fall further this year before edging up again to between 3 and 4 per cent next year.

The government accepts that the improvement in the figures is largely a result of the deflationary effects of the 1990-91 recession, when gross domestic product contracted or was flat for seven of eight consecutive quarters.

But it will take some of the credit for restraining wages through its "accord" with the trade union movement, which recently agreed to link pay demands to inflation expectations.

The bad news is that, despite government pump-priming and a series of interest rate cuts, the recovery has failed to gather pace since the



end of the recession late last year. In his February economic statement, Mr Keating announced a A\$2.3bn (£890m) spending programme intended to help deliver gross domestic product growth of 4.75 per cent in 1992-93, followed by average growth of 4 per cent in the next three years.

Since February, the government has increased the forecast budget deficit for 1991-92 from A\$6.5bn to nearly A\$10bn, delivering a further fiscal stimulus. Official interest rates

have also been cut from 7.5 per cent to 5.75 per cent.

But growth remains stubbornly low, mainly because of muted business confidence and the preference of both the corporate sector and consumers for debt reduction rather than consumption.

Most economists think the economy probably slowed again in the fourth quarter of 1991-92, indicating that growth for the year will be less than Mr Keating's forecast of 2 per cent.

Bowing to the inevitable, the government recently reduced the target for 1992-93 to 4 per cent, but most economists doubt that even that is achievable. The National Australia Bank, the most bullish of recent forecasters, says growth may be as low as 3 per cent.

Few observers think such an outcome would be enough to redeem the government's promise of single-digit unemployment before the election. But there are indications that even at the current slow pace of recovery, the economy may run into external constraints.

At A\$11.7bn, the 1991-92 current account deficit is equivalent to 3.1 per cent of forecast GDP, the lowest ratio since 1979-80, and a considerable improvement on the 6 per cent deficit two years ago.

However, the seasonally adjusted deficit has deteriorated in recent months, culminating in a much larger than expected monthly deficit of A\$1.2bn in June. Much of the increased deficit was caused by a rise in imports to the highest level since 1989, suggesting that imports accounted for a disproportionate share of increased retail sales. The government has preferred to

point to the surplus on merchandise trade, which improved by 35 per cent over the year to A\$3.5bn. But the trend figures indicate that growth in exports is decelerating just as import questions about the sustainability of the current account improvement.

Mr Keating's last chance to make significant changes in economic policy before the election will come when the 1992-93 budget is delivered on August 18. However, the government may have left itself with very little room for further pump priming.

Most economists say the financial markets would be concerned by a forecast deficit much above A\$12bn, which would put pressure on the Australian dollar and could lead to a sell-off of government bonds.

What is unfortunate for the government is that the minimum budget deficit is also forecast at about A\$12bn, depending on the impact of any recovery on tax revenues.

This means that extra spending intended to stimulate growth will have to be offset by politically difficult cuts elsewhere in the budget, unless Mr Keating is prepared to take on the markets.

## Adverts anger Bolger

By Emilia Tagaza in Canberra

NEW ZEALAND'S prime minister, Mr Jim Bolger, has responded angrily to advertisements to be launched by the Australian Labor Party in the state of Victoria.

The advertisements feature New Zealanders complaining about low wages, inadequate social welfare and poor business prospects, blaming the government's free market policies for the problems.

They warn that Victorians would feel similar pain if the opposition Liberal Party won the election.

The Liberal Party is presenting a package of state and federal policies similar to those in New Zealand, including a goods and services tax and a deregulated labour market. The adverts will launch the Victorian state election campaign in October. Mr Bolger said the Victorian state government was desperate to find someone else to blame.



NEWS IN BRIEF

EC agrees food aid for Somalia

THE European Commission yesterday approved 14,000 tonnes of emergency food aid to drought-stricken Somalia. The aid is to support operations of the International Committee of the Red Cross. The Commission also approved 10 tonnes of high-quality food aid to Somalia. The aid is to support operations of the International Committee of the Red Cross.

Britons sue over Kuwait flight

British Airways said yesterday it was being sued by 14 Britons in London and Rome for a flight that landed in Kuwait. The flight was the first since the country was invaded by Iraq. The flight was the first since the country was invaded by Iraq.

At least 26 die in Tamil ambush

Eighteen government soldiers and seven Tamil rebels were killed when separatist forces ambushed troops in east Sri Lanka yesterday. The rebels were from the Liberation Tigers of Tamil Eelam. The rebels were from the Liberation Tigers of Tamil Eelam.

Ramos threat to communist rebels

Philippine President Fidel Ramos said yesterday that he would use force to crush communist rebels. He said that he would use force to crush communist rebels. He said that he would use force to crush communist rebels.

Mozambique peace talks

President Sam Nujoma of Namibia said yesterday that he would support peace talks in Mozambique. He said that he would support peace talks in Mozambique. He said that he would support peace talks in Mozambique.

Japanese envoy for Cambodia

Japan's Foreign Minister Ichiro Miyano said yesterday that he would send an envoy to Cambodia. He said that he would send an envoy to Cambodia. He said that he would send an envoy to Cambodia.

League quits Chad conflict

The League of Arab States said yesterday that it would quit the Chad conflict. It said that it would quit the Chad conflict. It said that it would quit the Chad conflict.

Adverts anger Bolger

Irish Minister for the Environment, Michael J. Bolger, said yesterday that he was angry about advertisements. He said that he was angry about advertisements. He said that he was angry about advertisements.

# Nafta teams haggle over final details

By Nancy Dunne in Washington

US, CANADIAN and Mexican trade ministers and their negotiating teams were haggling in Washington's Watergate Hotel yesterday over the final details of the North American Trade Agreement (Nafta).

While they worked to "capture the momentum" in the words of Mrs Carla Hills, US trade representative, opponents of the pact were keeping the fax lines busy with press releases. Mr John Cragan, president of the protectionist-leaning US Business and Industrial Council, warned: "Los Angeles could burn again, and the fire may spread to dozens of US cities if Nafta becomes law. Hundreds of thousands of semi-skilled and unskilled manufacturing jobs held mainly by minorities will be lost to Mexico."

Ms Lori Wallach, a lawyer with Mr Ralph Nader's Public Citizen, saw the Watergate, focus of the scandal leading to President Nixon's resignation, as "the perfect location to wrap up the Nafta talks: a symbol of secrecy, broken promises to the American people, and ultimately, the end of a presidency." She said a poll released by the San Diego Union Tribune last week showed that 60 per cent of the US population opposed Nafta (two groups on which the Bush administration

was relying for support). Many US companies are excited about Nafta. Mr Arl Boush, of Booz, Allen and Hamilton, a New York consulting company, is busy arranging "strategic" alliances between US or foreign and Mexican businesses. A number of Mexican groups, accustomed to a quasi-monopolistic environment, were shocked up their competitive positions. US companies were looking at their networks to overcome distributional problems in doing business in Mexico.

He believed US prices would fall because of competition but that would be balanced by a 4 per cent rise of consumption in the US and 8 per cent in Mexico. The US would gain jobs as US companies expanded to service the Mexican market. Production costs would fall, making North American products more competitive. If the pact failed in Congress, it would have short-term consequences in the financial markets, delaying some investments.

A study by the Mexican office of Arthur D. Little management consultants shows that if Nafta is agreed, US exports to Mexico will keep growing at 20-30 per cent a year for 1993-1996. Without a pact, exports would grow at perhaps half the 22.3 per cent annual compounded rate of the last four years.

# South America may go back to its trade roots

John Barham on plans for a five-nation water corridor on the continent's second largest river system

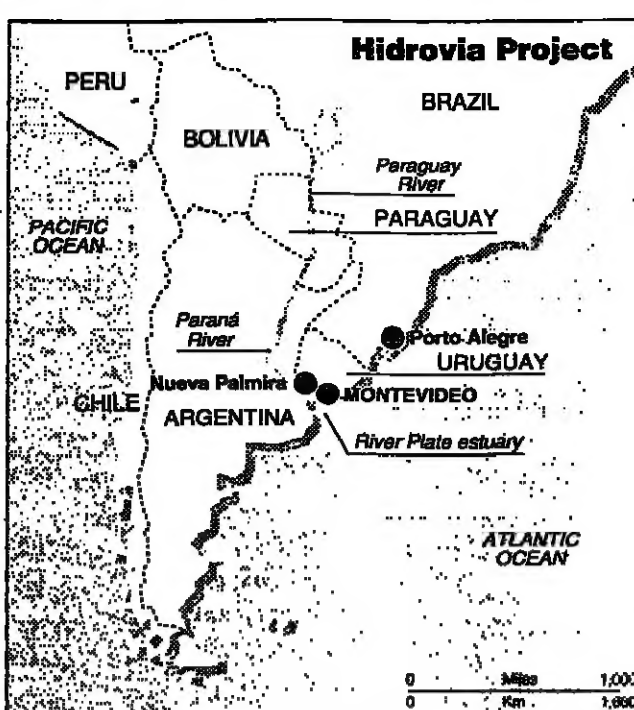
CONQUISTADORES, explorers and traders once used the rivers of South America to penetrate, subdue and settle the continent's heartland. But today the rivers which form some of the world's greatest navigable waterways are underused and vast regions of the interior isolated and impoverished.

But there are signs that the Parana-Paraguay rivers, which together form South America's largest river system after the Amazon, could become an important trade corridor linking the distant, landlocked interior with seaports at the River Plate estuary.

Developing the rivers' transport potential should be easy because there are few physical or natural obstacles to traffic. But petty national jealousies and suspicions have held up progress for years.

The five countries through which the rivers flow - Argentina, Bolivia, Brazil, Paraguay and Uruguay - agreed in June to sweep away bureaucratic restrictions that blocked trade and navigation.

Next, they plan to hire consultants to study how the 3,442km waterway, known as the Hidrovia (Waterway), can be made into a low-cost artery navigable day and night all year round. This first stage of



engineering and environmental consulting work will be financed by the United Nations, the European Community and the Inter-American Development Bank.

Officials say an initial studies show that a few relatively cheap and simple engi-

neering projects estimated at \$240m (£125.6m) would ensure the Hidrovia's navigability. These costs would be borne by governments.

A further series of investments of about \$740m needed to upgrade ports and buy barges would be made by the

private sector. Officials say it would take about 10 years to make the Hidrovia fully operational and put the total bill at \$1.5bn-£2bn.

Mr Edmundo Soria, Argentina's transport secretary, said: "We don't want grand Pharaonic projects. We will be very careful with the projects we carry out and restrict the state's financing to the minimum possible."

The Hidrovia project is part of a wider trend towards greater political co-operation, economic integration and free markets that is sweeping Latin America. Other privately-financed infrastructure projects being studied include a 45km bridge across the River Plate, a motorway linking Montevideo and Porto Alegre in southern Brazil and a \$200m gas pipeline connecting gas fields in Patagonia with Chile.

At the moment, the rivers are only partly navigable. Still, Argentina uses river ports on the Parana to ship a quarter of its exports and Paraguay imports most of its fuel along the Paraguay river. But the Paraguay is only navigable on average for about six months of the year above the capital Asuncion.

Mr Jesus Gonzalez, Argentina's director of port construction and waterways, says the

potential economic benefits are clear: "In Brazil's centre-west there are 6m hectares of land ready for cultivation. But to take one tonne of soybeans to port costs \$56 now. With the Hidrovia, transport costs would fall to about \$18 a tonne." Also, Bolivia's underdeveloped eastern regions have

**It is part of a trend towards political co-operation, economic integration and free markets**

potentially rich agricultural land and contain promising mineral deposits that would only become economically viable with a cheap and efficient transport system.

A preliminary feasibility study found that while 4.3m tonnes were shipped along the river in 1987, cargoes could reach 21m tonnes a year by the turn of the century. It estimates an internal rate of return of between 16 per cent and 23 per cent for the Hidrovia investments.

Although the impact of the Hidrovia would be felt mainly in the heart of the continent, ports on the River Plate estuary would also benefit. Nueva

Palmira in Uruguay is expected to become the main transshipment centre. It is expected to handle 7m-9m tonnes of cargo a year by 2000.

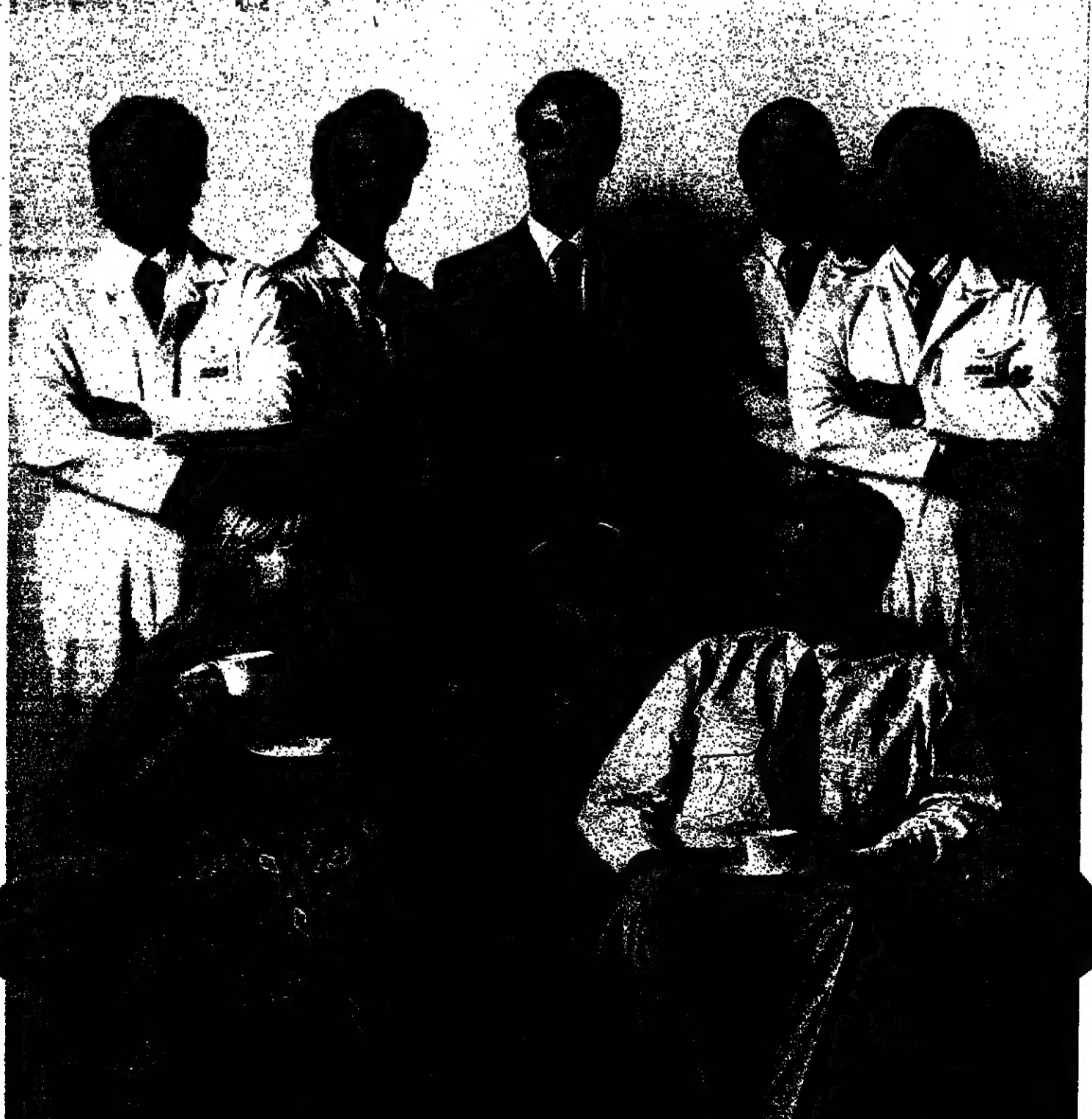
Planning is the easy part. But the hard decisions on who is to pay for the project and how the money is to be raised have yet to be taken. The Argentines are insisting that the private sector pay for most of the work in exchange for the right to charge tolls or build private ports.

The Brazilians, who must carry out the costliest projects, say the state will probably have to play a leading role. For their part, the smaller, poorer countries balk at the sums involved.

Then there is the problem of the environment. That means more than just curbing water pollution by barges or preventing damage of riverbanks by the vessels' wakes. Brazil's Pantanal marshes, the world's largest wetlands, which lie along the Paraguay, must also be protected.

There is also a risk that the Hidrovia would attract large populations to barren regions and that intensive farming and mining damage ecosystems. There is also a danger that the Hidrovia could become a smuggling corridor for Bolivia's cocaine cartels.

## We never forget homebuyers after they move in.



At Taylor Woodrow Homes we have created a total-care programme for our customers. Part of this programme is a dedicated team of specialists to look after buyers from the moment they move in.

Available on a help line both day and night, they won't rest until customers are completely satisfied.

And to satisfy customer demand for even more choice and individuality in the 90's we've also introduced eighteen new designs ranging from one bedroom starter homes to five bedroom executive homes.

Such innovation, care and teamwork has been the cornerstone of the Taylor Woodrow Group over the years.

And is the reason why today we are an international force in four closely related business areas. In construction, in property, in trading, as well as housing.

With such a solid foundation we're confident whatever we move into in the future, will be a resounding success.

For further information please contact Trevor Jones, Taywood House, 345 Ruislip Road, Southall, Middlesex UB8 2QX. Tel: 081-575 4033



Strength for the future

## China acts on copyright

CHINA has decided to join a global copyright convention as part of its policy of economic reform, the official New China News Agency said. Reuters reports from Beijing.

US trade negotiators had pressed Beijing to back up promises to protect patents and copyrights with deeds.

China promised last year to join international copyright organisations.

The decision was a result of China's policy of deepening reform and opening to the outside world. The agency quoted Qin as saying China would conscientiously abide by the convention so that copyrights were effectively protected. China's first copyright law went into effect in June last year.

## Japanese claim US bill on mini-van tariffs is unfair

A BILL approved by the US House of Representatives which raises the tariff on imported mini-vans discriminates against Japan by excluding European vehicles, a Japanese trade ministry official said yesterday, Reuters reports from Tokyo and Detroit.

"It is regrettable the US House passed the bill which is apparently in violation of Gatt," Mr Yuji Tanahashi, vice-minister at the international trade and industry ministry (Miti) stated. The bill, passed on Friday, would reclassify some mini-vans and sports utility vehicles as trucks, making them subject to a tenfold increase in import duties. It now goes to the Senate.

The bill, backed by the US car industry and unions, would transfer passenger vans, multi-purpose vans, four-door sports utility vehicles and other jeep-type vehicles to a category carrying 25 per cent duty. It makes two exemptions. Critics say these were designed to exclude European mini-vans such as Volkswagen, imported since 1983, and vehicles with sales in the US of less than 10,000 a year, such as Britain's Range Rover.

The Bush administration

opposes the mini-van reclassification on the grounds it would increase consumer costs, could be seen as a violation of Gatt, and could result in retaliation against US exports. Mr Bush is expected to veto the bill.

Tokyo will seek to present its case to Gatt if the bill becomes law. Japanese newspapers reported it "is clearly in violation of Gatt," the Asahi Shimbun quoted Miti as saying. The vote was protectionism in its most blatant form. Toyota Motor said: "The bill ought to be named the Big Three windfall profits Act of 1992. The real losers from this kind of protectionism will be once again the American consumer."

But General Motors said the reclassification was justified. "When a vehicle is designed as a truck, built like a truck, performs like a truck, it ought to be called a truck for tariff purposes," Chrysler, controlling over half the mini-van market, said the House action showed "determination to come to grips with our trade problems". The Motor Vehicle Manufacturers Association, a US industry group supporting Detroit's vehicle-makers, said the bill would close a loophole giving unfair advantage to importers.

## Sri Lanka sees boom in tourism

THE year 1992 is likely to be a boom one for Sri Lankan tourism, the country's tourist board said yesterday. Mervyn de Silva reports from Colombo. "We are likely to pass the half-million mark," an official predicted. The previous record was 402,000 in 1982. Anti-Tamil riots in 1983 cut the total to 200,000, but political stability was the main reason for the improvement.

Europe continues to top the list, with Germany ranking first, and Italy, France and the Netherlands showing a sharp rise in numbers. The board believes the half-million mark can be reached if Air Lanka expands its European service. But the carrier's plan to buy six Lockheed TriStars has been criticised by the World Bank and IMF.

## Otis venture to make lifts in Ukraine

By Andrew Baxter

OTIS ELEVATOR, the world's largest lift maker, yesterday announced a joint venture with the Ukraine state committee on housing and community services to make, sell, install and maintain lifts in Ukraine. Otis will have a 51 per cent stake in UKR Otis, to employ 4,900 people at a factory in Kiev and maintenance operations in Kharkov and Donetsk.

The venture is the third in the former Soviet Union for Otis. UKR Otis will co-ordinate activities with Otis joint ventures in Shcherbinka, near Moscow, and St. Petersburg. Otis will invest in re-equipping the existing Kiev factory, to be making 3,500 lifts a year by 1996.



## NEWS: UK

# Abbey calls for tax credits to aid house sales

By David Barchard and David Owen

THE GOVERNMENT was last night considering a package of proposals from Abbey National, one of the country's largest home loans and savings institutions, aimed at reviving the deeply depressed UK housing market.

The move follows mounting pressure from Conservative MPs and former ministers to find some way of helping homeowners.

News of Abbey National's initiative, which proposes a tax credit scheme to trigger a market recovery, coincided with the publication of Nationwide Building Society's monthly house price index which showed that house prices fell on average by a further 0.6 per cent during July. The average UK house now costs 6 per cent less than it did a year ago.

Abbey National said a way is needed to enable existing owner occupiers to sell their houses without being deterred by the prospect of a loss. The

proposals were announced together with Abbey National's half-year results which showed a 12 per cent fall in profits to £270m.

Abbey National wants the government to give a once-only tax credit of up to £10,000, to people selling their homes to cover any loss in its value. The credit would be made on condition that the cash was reinvested in another property.

The Treasury said Mr Norman Lamont, chancellor of the exchequer, was considering the plan.

Meanwhile, Mr John Townend, chairman of the Conservative backbench finance committee, advocated a new initiative to raise tax allowances on mortgages for a limited period.

In the City, there was scepticism about the viability of Abbey National's proposals. Mr John Wriglesworth, a leading housing finance specialist, estimated the cost of the scheme at up to £2bn.

Lex, Page 14  
Results, Page 16

## Sick building cure eludes researchers

EXTENSIVE research has found no identifiable cause or cure for "sick building syndrome," according to a report by the Health and Safety Executive (HSE), Catherine Milton writes.

An HSE review published yesterday says the cause of the syndrome - in which office workers blame the buildings in which they work for symptoms such as headaches, dry throats, mental fatigue and dizziness - remains a mystery and the syndrome is unlikely to go away in the short-term.

The Institution of Environmental Health Officers said last year local authorities received 500 sick-building

complaints. The HSE said the problem was hard to quantify because some workers might not blame their offices for the symptoms.

Dr Pam Buley, a senior health policy official at the HSE said: "Sick building syndrome is often associated with air-conditioned buildings and seems to affect women more than men, especially workers who are in a building for a long time."

The report says sick building syndrome occurs in even well-designed buildings. Poor air quality and inadequate ventilation as well as bad lighting have been identified as risk factors.

## Prospect of five years' hard Labour daunts opposition

AS the new leader of the Labour opposition party retreated to southern France for a well earned break last Friday, he could be forgiven for forgetting all about politics.

But the three weeks of rest for Mr John Smith may well be disturbed by one nagging thought: what is Labour planning to oppose over the next five years?

The irony is that the most immediate policy questions that confront Mr Smith are almost exactly the same as those facing the prime minister. What is more his gut responses are close, if not identical, to those of Mr Major.

On both Europe and the UK's gloomy economic outlook - the two issues set to domi-

nate the autumn - Labour can point to some differences with the government. But if the detail is examined carefully, many of those differences are more of tone than of policy.

When it comes to general strategy, Mr Smith and Mr Major are, in many respects, of one mind.

On Maastricht, for example, the dust kicked up by the Danish referendum's "no" vote is insufficient to camouflage the similar position between Labour and the Conservatives.

Certainly Labour will make the most of its insistence on British adherence to a common environment policy. Its backing for the social chapter of common workplace rights - vigorously opposed by the Tories - is and will remain the

chief virility symbol of its EC policy. There will also be much talk of Labour's demands for greater democratic accountability of EC institutions.

But when it comes down to whether or not to ratify the treaty Mr Smith will, like Mr Major, fight to the death for ratification, crushing internal unrest where necessary.

Then there is the economy. Labour's so-called summer offensive was full of sound and fury about a more pro-active government approach. But behind the bluster and right-wing indignation, Labour is far from advocating a spending free-for-all.

Does the party argue for a policy of full-blown Keynesian reflation, unilateral interest rates cuts or abandonment of

sterling's DM2.95 central parity rate in the exchange rate mechanism? It most certainly does not.

Labour officials admit there are "no easy answers" on the economy.

During the leadership election campaign, Mr Smith has been goaded by his rival Mr Bryan Gould into making a few gestures towards the idea of a UK initiative. For a short while he argued that the British presidency of the European Community should use its clout to mobilise its EC partners into a pressure group on Germany to revalue and for "co-ordinated steps" to cut interest rates.

Yet it seems clear that Mr Smith, whose European contacts are well nurtured, has all but abandoned such gestures.

He and his aides are more than aware that no pressure can be brought to bear without the support of France. But President François Mitterrand has made clear he is not playing that game.

At home, meanwhile, the new Labour leader has argued that there should be no rush into a new policy review. The lessons of the 1992 election defeat were that the review, launched in 1987, left the party with policies drawn up during a boom and had to be sold during a recession.

Labour, however, must fill the void somehow. It will do so with a new document on its aims and values, intended to broaden its half-hearted autopsy on the April defeat into a general debate about the

goals for a left of centre party as the millennium nears.

We already know that there will only be partial reform of Labour's union links, that the party leader is sceptical about any formal accommodation with the Liberal Democrats and equally in two minds about proportional representation.

As for the truly radical proposals, a change in the party's name or a heroic attempt to ditch the party's adherence to state control, these have already been consigned to the dustbin.

Such internal wranglings could keep Labour on the sidelines and turn discontented Tory rebels into the government's real opposition.

Ivo Dawdney

## Computers urged to ease fraud trials

By John Mason

JUDGES should make greater use of computer technology to help ensure complex fraud trials remain manageable, Mr Justice Brooke, the second Blue Arrow trial judge, said yesterday.

Mr Justice Brooke - who replaced Mr Justice McKinnon after the first trial - was speaking after acquitting the remaining defendants charged with fraud over the affair. Not guilty verdicts were returned on Mr Paul Smallwood and Mr Tim Brown, former equities directors with UBS Phillips & Drew, Mr Charles Villiers, former chairman of County NatWest and Ms Elizabeth Brimelow, County's former compliance director.

Mr Justice Brooke said the public was "looking with impatience" to the courts finding solutions to the problems of managing large fraud trials.

US experience had shown the use of lap-top computers by judges could result in substantial time and costs savings.

"It is, I believe, incumbent on English judges to be willing to learn new techniques if they may make such a substantial difference to the length of a trial or the overall cost of proceedings," the judge said.

## Government advisers seek savings by equalising introduction of state pensions at 65

### Women face increase in retirement age

By Norma Cohen

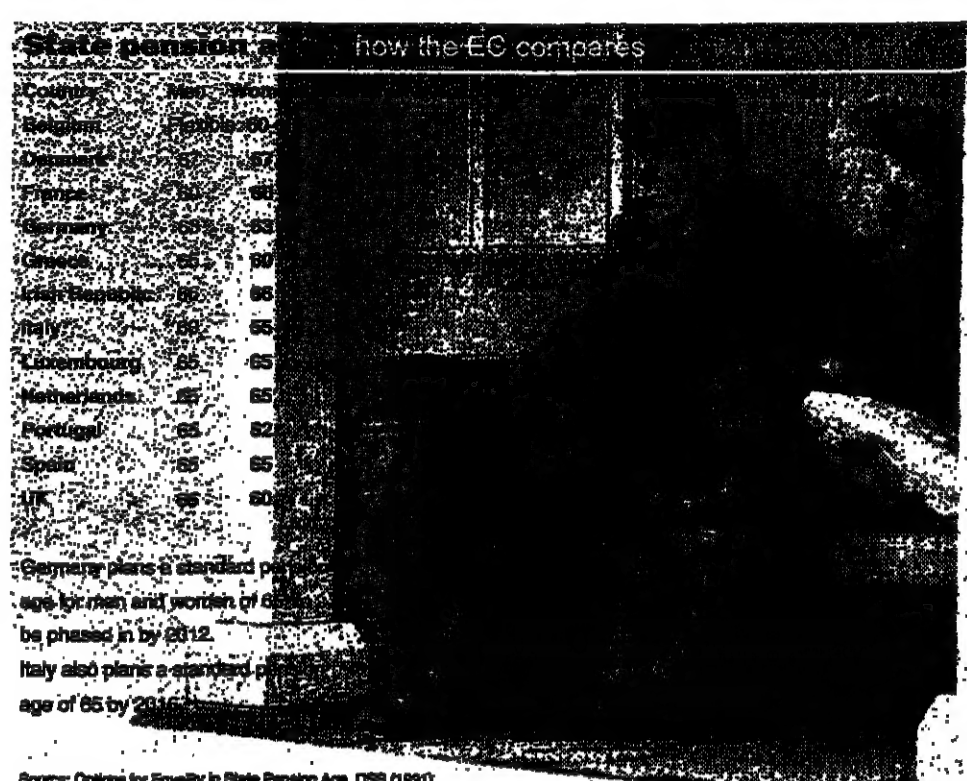
THE STATE retirement age for women should be raised to 65 in Britain to equal that of men and the cost savings should be used to help the poorest pensioners, the government's advisers urged yesterday.

The advice from the Social Security Advisory Committee (SSAC), which advises the government on pensions policy, increases the likelihood that women will have to work another five years before becoming eligible for state pensions.

In Britain, women are currently eligible to a full basic state pension at 60 while men must wait until 65.

But a recent European Court ruling on occupational pensions determined that men and women must not receive disparate pension benefits. The EC is currently drafting a directive for member states requiring equalisation.

Last December, the Department of Social Security published a discussion document outlining plans for equalising pension ages which allowing men to retire earlier at age 60 or allowing men and women to retire at age 63. But yesterday's report said retiring at 60 was estimated to cost roughly £5.5bn per year in additional



expenditure while a mutual retirement age of 63 would have no revenue effect at all. The SSAC, however, suggested the political unpopularity of the measure be miti-

gated by a promise to use the estimated £5bn in annual cost savings to help pensioners on low earnings during their working lives.

They also suggested that the government begin phasing in the equalisation policy 15 years from now, rather than the 10 years suggested in the DSS report. That means that no one currently over the age of 62

will be affected by the changes and that no one over 42 will feel the full effect of equalisation.

"Our recommendation for equalisation at 65 is part of an indivisible whole on the basis that the savings will be recycled," said Sir Peter Barclay, chairman of the SSAC.

In rejecting the proposal of lowering men's retirement age to 60, Sir Peter said "It gives a huge gift to men regardless of their need." Nearly three-quarters of British men are eligible for occupational pensions already so that their need for state benefit is less than that of women.

The committee rejected the option of age 63 because it would cut women's benefits while providing no additional funds to help those who need aid most.

The SSAC also rejected suggestions urged largely by the pensions industry that the government adopt a so-called flexible decade of retirement between the ages of 60 and 70. Such schemes increasingly exist in the private sector and employers fear that raising women's retirement ages will force them to provide higher benefits for females to make up the lost income to age 65.

Editorial Comment, Page 12

## CHOOSE AN FT DIARY TO SUIT YOUR POCKET.

It's hardly surprising that the FT diaries have a worldwide reputation for the highest standards in both quality of presentation and content. No other diary draws on such an authoritative source as the Financial Times.

Our prestigious range of pocket diaries continues to set the standards others follow, exemplified by the quality of the materials used - luxurious thick paper, heavy gilt edges, non-fraying marker ribbons, personalisation of your name in rich gold blocking.

This year the FT Pocket Diary and the FT Pink Pocket Diary will include a detachable Personal Telephone Directory tucked inside the back of the diary. It has a silver laminated cover and alphabetically indexed pages.

The FT Pocket Diary, 34 information-packed pages detail 26 international business centres, including local business hours, currencies, stock exchanges and public holidays plus hotels, restaurants and airports. Comprehensive UK coverage ranges from airports and car hire to theatres and cinemas. The week to view diary runs from 14th December 1992 to 2nd January 1994.

The FT Pocket Diary comes in three bindings to match the FT Desk Diary - rich black leather, burgundy bonded leather and black leathercloth.

The FT Pink Pocket Diary with its unique landscape format, week to view diary and FT pink pages is bound in black bonded leather.

The FT Slimline Pocket Diary. Covered in black bonded leather with FT-pink paper and matching ribbon, the FT Slimline Pocket Diary's fortnight to view format allows you to check your comings and goings at a glance. The overseas and UK information guides make it ideal for the executive on the move.

The FT Wallet Diary. Features the FT Pocket Diary bound into a beautiful gilt-cornered black leather wallet, lined in black moiré silk. It also comes with a jutter pad and a pocket for bank notes - you can't get more useful than that.

### FT COLLECTION - A QUALITY PROPOSITION.

What we've shown here is but a small sample of the wide range in the FT Collection, so why not send for the FT Collection colour catalogue and see for yourself - it is packed with many invaluable business essentials from diaries to document cases. Contact us now on 071-799 2002, or write to FT Collection, FT Business Information, 50-64 Broadway, London SW1H 0DB, or send your business card.

### FIRST IMPRESSIONS THAT LAST.

All items will be doubly welcome if they are personalised with initials and/or surname in high quality, long-lasting, gold blocking. It's this kind of personal touch that enhances the pleasure and worth to the user.

### THE WORLD'S MOST APPRECIATED BUSINESS GIFTS.

Our business gift services include - Gold blocking of your logo - Up to eight publicity pages in the diaries and personal organiser - Direct despatch of your gifts to the recipients together with your complimentary slips or greetings cards - Samples. We will even reserve your choice of FT Collection gifts if you are unable to finalise your gift list early in the year.

### LARGE ORDER DISCOUNTS.

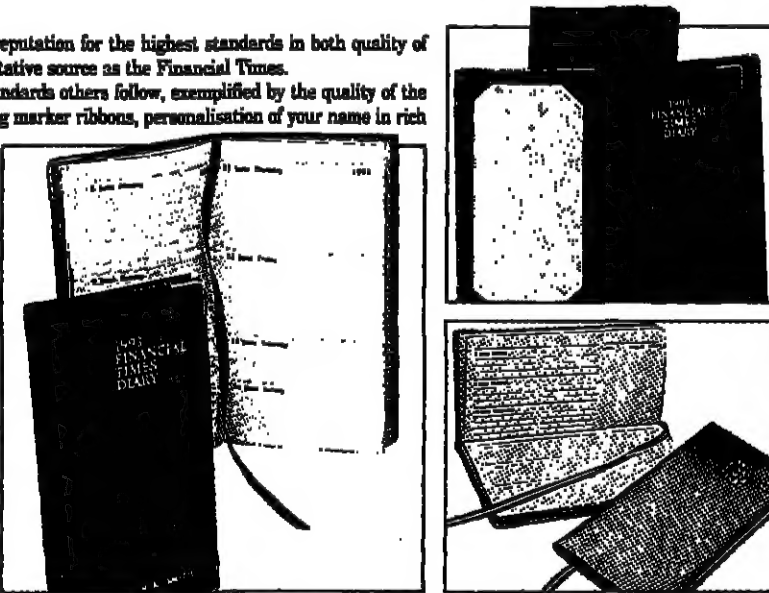
Furthermore - order 25 items or more from the FT Collection and you will qualify for discounts of up to 25%.

### DISTINCTIVE GIFTS THAT MAKE GREAT COMMERCIAL SENSE.

Contact us now on 071-799 2002 for more details on our business gift services, or write to FT Collection, FT Business Information, 50-64 Broadway, London SW1H 0DB.



FT Business Enterprises Ltd., Registered Office: One Broad Street, London EC2M 2EL. Registered in England No. 209905.



ORDER FORM REF: 201-200000  
Please tick where applicable.  
☐ Please send me the FT Collection Catalogue and Order Form.  
☐ I am interested in using the FT Collection as business gifts, please send me details.  
☐ I intend to place a firm order as detailed below.

Name (Mr/Ms/Ms/Ms) \_\_\_\_\_  
Position \_\_\_\_\_  
Company \_\_\_\_\_  
Address \_\_\_\_\_  
Postcode \_\_\_\_\_  
Telephone \_\_\_\_\_

PRODUCT	CODE	QTY	UK (inc VAT) £	QTY	EUROPE £	REST OF THE WORLD £	SUB TOTAL £
1993 DIARIES							
Pocket Diary, black leather	PL		14.50		12.50	12.50	
Pocket Diary, burgundy bonded leather	PB		13.50		11.50	11.50	
Pocket Diary, black leathercloth	PC		12.00		10.50	10.50	
FT Pink Pocket Diary	PP		14.00		12.40	12.40	
Slimline Pocket Diary	SP		12.15		10.60	10.60	
Wallet Diary	WD		23.00		20.05	20.05	
PERSONALISATION							
Initials Only (up to 4 characters)	I		2.47		2.10	2.10	
Initials and Surname (up to 20 characters)	ISN		4.41		3.75	3.75	
					TOTAL £		

HOW TO PAY:  
BY PHONE: You can pay by credit card by placing your order on our Credit Card Order Line 071-799 2274.  
BY FAX: If you wish to pay by credit card you can fax this order to us on our Credit Card Fax Order Line 071-799 2255.  
BY MAIL: Return this order form with your payment to the address given above.  
Payment must accompany your order, and cheques should be drawn on a UK bank account made payable to "FT Business Information".  
Tick method of payment:  
☐ Cheque ☐ Money Order ☐ ☐ ☐ ☐ ☐  
Card No. \_\_\_\_\_  
Expiry Date \_\_\_\_\_  
For further information on business gift orders please ring 071-799 2002.

## Britain in brief



### BA crews withdraw strike threat

Union leaders have called off strike action over pay and conditions by British Airways domestic and European cabin crews due to start at midnight last night.

The TGWU cabin crew union decided to call off the action after a series of mass meetings over the weekend at which members indicated support for action today was weak.

Union negotiators based in Glasgow, Birmingham and Manchester decided against action after British Airways indicated it would meet for talks if the strike threat was lifted, the carrier said.

### US legal system re-examined

The Law Society, representing UK solicitors, is to re-examine US "no win, no pay" contingency fee arrangements as an alternative to state-funded legal aid as part of an overall review of methods of paying for court cases.

The review will examine whether American style contingency fee arrangements where lawyers get paid only if they win the case, could reduce the cost of legal aid which is expected to rise above £1bn in 1992-93.

### ICI workers accept 5.1%

Unions representing 45,000 workers at Imperial Chemicals Industries have accepted an offer which will add 5.1 per cent to pay rates.

The deal, which will be backdated to June 1, raises the possibility of ICI workers receiving increases of more than 11 per cent this year. Negotiations are continuing

at a local level on deals that would change working practices, lead to 36-hour week and trigger payments equivalent to 14 per cent of salary, starting with a 6 per cent increase immediately.

### Profits rise at Waterways

British Waterways, which runs the country's canal system, has increased revenues and maintained capital spending despite the effects of the recession and a third year of drought.

Mr David Ingham, chairman, says in the report and accounts for 1991-92 that earned revenue had increased by 6.5 per cent to £29m despite the difficult economic circumstances, compared with an increase of only 3 per cent in central government grant.

The public sector organisation is on target to become more self-financing but it is unlikely to become a target for privatisation as it will never be profit making.

### Company law amended

Companies can now be created with just a single shareholder, under legislation which has been passed in response to the EC 12th company law directive.

The Companies (Single Member Private Limited Companies) Regulations amend the 1985 Companies Act, which previously required at least two people to create a company with limited liability.

It also protects from insolvency or the loss of limited liability privilege existing companies which become single member companies, following events such as the transfer of shares.

### Skypark set for take-off

A local authority in central England has granted planning permission for the UK's first residential flying community, at a disused airfield, north west of Telford.

The plan, drawn up by directors of two private companies - LBE Group, an engineering business, and London & Midland Developments, a property company - envisages 65 homes on plots of up to 1.5 acres, each with its own hangar and connected by taxiway to an airstrip over 1000 yards long.

Such estates are common in the US where there are about 500 of them. But in Europe, the practice of flying for pleasure or flying to work is not deeply engrained.

The developers, who have called their plan Telford Skypark, expect to start work on the site this year and to have the whole project completed within three years. At that time, they expect the completed value to be about £20m.

### Agency reports £1.56m surplus

Companies House, the government's company information agency now subject to a review which could lead to privatisation, reported a surplus of £1.56m in the year to March 31, compared with a deficit of £6.59m in the previous 12 months.

The annual report and accounts, which have been prepared along the lines of a private company for the first time, left the agency with a retained surplus of £421,000 after paying a dividend of £800,000 to the Treasury to reflect investment in the past.

### Sales boost for Fringe

Advance ticket sales for the Edinburgh Festival Fringe in August have reached almost 29,000 so far this week, 9,000 up on corresponding sales last year.

Mr Iain MacDonald, a spokesman for the fringe, said: "The recession is helping us, by keeping people at home in the UK generally."



POLITICIANS in Northern Ireland yesterday called for tighter security after two IRA car bombs exploded in central Belfast injuring 21 people. Five civilians, four soldiers and 12 policemen were treated for shock and cuts. Mr

Ken Maginnis, security spokesman for the pro-British Ulster Unionist Party, said "everyone's immediate reaction would be to call for more security measures against terrorist activities in the province."



# New kings of middle distance

Even Qatar is making strides as a running power and could emulate Cuba, says Peter Berlin

**A**FTER Javier Sotomayor, the high jump world record holder, became the first Cuban man in 16 years to win an athletics gold medal at the Olympics, he walked out of the arena in tears. At the entrance to the stadium he was embraced by a Cuban official.

The ubiquitous television camera was on hand to catch the touching scene. Suddenly, the face of the older Cuban appeared 30ft high on the huge screen at the Montjuïc stadium. One after another, journalists in the press stand stopped tapping furiously at their computers and gazed up for a moment. A murmur went along the press benches: "Alberto Juantorena."

In Montreal in 1976, Alberto Juantorena became the first man since Paul Pilgrim in 1906 to win both the 400 metres and 800m at the Olympics. (Alan Packer of Britain, another 400m specialist, had won silver in the 400m and gold in the 800m in Tokyo in 1964.) Juantorena was also the first 800m champion from outside the US, Britain or Australasia. He had hardly run the 800m before the Games and when he broke the world record in the final it seemed the 800m would be transformed forever.

The 800m had been dominated by middle-distance runners with a kick. They would spend 600m jostling for position and then sprint off the final bend. Juantorena started his sprint on the first bend. But the future belonged to the man who came fourth, Britain's Steve Ovett, and his ilk: runners who could stay with a fast pace and still accelerate at the end. Ovett won Olympic medals in the 800m and the 1,500m in Moscow in 1980, as did his compatriot, Sebastian Coe. Said Aouita of Morocco who won the 5,000m in 1984 and came third in the 800m in Seoul: The middle-distance runners had reclaimed their race.

Even in Seoul, when Paul Ereng of Kenya, another former 400m runner, won the 800m, he ran a tactical race. His better-known team-mate Nelson Kiprotich sacrificed himself by setting a sharp early pace for Ereng. On Sunday, Ereng trailed in last in his heat. A former champion struggling to recapture his greatness is a sorry sight. When that champion is burnt out at 25 it makes a particularly pathetic spectacle.

But even while Ovett, Coe and Peter Elliott were regularly appearing in two middle-distance finals, things were



US track star Michael Johnson in 200 metres action yesterday. He has qualified for tomorrow's semi-finals after today's rest day in athletics

changing. In Los Angeles and Seoul, Joaquim Cruz of Brazil won medals in the 800m and then failed to appear for his 1,500m races. In Los Angeles, Ovett regretted not following this example. The 1,500m final was his seventh race in nine days. He was carried from the track on a stretcher.

As recently as last year, at the world athletics championships in Tokyo, the 800m was squeezed in early in the Games schedule and then, following a brief respite, the 1,500m starts. When the Barcelona timetable did away with that separation, and increased the gaps between rounds, nobody complained. None of the eight men who advanced from the 800m semi-finals on Sunday night were even entered in the 1,500m heats yesterday morning. Tony Ward of the British athletics team said that Peter Elliott might have considered the 800m-1,500m double if he

had been in top form. But Elliott is absent, injured, and so, yesterday morning, was the great Aouita.

Aouita's injury and Ereng's elimination mean none of the Seoul medalists in either race will reach a Barcelona final. The 800m final tomorrow will be a contest between the old and the young. There are three veterans of the 1988 final who are unlikely to have another chance. Johnny Gray of the US, the perennial front-runner always passed in the final dash for medals, is 32. Kiprotich and Jose Luis Braz of Brazil are both 31. Their chief rival on past form is William Tami, 28, another Kenyan. But the fastest qualifier was Curtis Bobb, 19, the rapidly-improving Briton.

The 1,500m heats are a poor indicator of form. It is possible to finish seventh, as Edgar Martins de Oliveira of Brazil

did yesterday, and still advance. The key is to set a fast pace from the start, squeezing the no-hopers out of the pack like peas from a pod.

Pop! There goes a Laotian. Pop! There goes a Rwandan. And - in yesterday's first heat - Pop! There goes Briton Steve Crabb, suddenly 20m adrift and battling Kim Bong-Yoo of Korea for eighth. Qatar's Sulaiman Mohamed ran a perfect race in the final heat, pulling the train along for nearly four laps while one runner after another tumbled out of the guard's van. He was caught on the line by David Kibet of Kenya but the heat was the fastest.

Qatar has never had an Olympic athletics finalist, though they have Lee Evans, the Mexico 400m champion, in Barcelona as a coach. Al-Bessem Tala Mansoor missed a place in the 100m final by 0.01 seconds. Muftah Ibrahim

Ismael qualified for tomorrow's 400m final by coming third last night in his semi-final heat and now Sulaiman gives them a third chance to break their duck.

You read it here first: in athletics, Qatar is about to become the Cuba of the Gulf.

One of the legacies of Coe and Ovett is the large and noisy contingent of British athletics fans in the Montjuïc stadium every day, cheering their heroes. Yesterday they were in place promptly at 10am, drenched by a storm, ready for

the start of the 200m heats. As Linford Christie, Britain's 100m champion, won his heat on cruise control, he was greeted by a roar. But the fans saved their biggest and warmest reception for Kris Akabusi as he made his ungainly but effective way over the obstacles in the 400m hurdles.

Afterwards, the fans joined the gaggle of Britons haggling for tickets in the Olympic souk that has developed outside the main complex. There is plenty of Olympic action to come.

## OLYMPIC NEWS IN BRIEF

### Major to push UK as 2000 Games venue



British Prime Minister John Major will attend the Barcelona Olympics on Friday and Saturday, partly to push Manchester's bid to stage the Games in the year 2000, British officials said.

Major, a keen sports fan, will also assess the kind of services a city must provide when playing host to the Olympics.

Major will meet Juan Samaranch, President of the International Olympic Committee, as well as the Barcelona organisers and members of the British team.

The officials conceded that last week's withdrawal of three British Olympic team members because they had failed drug tests might affect Britain's chances of staging the Olympics.

Beijing, Berlin, Brasilia, Sydney, Milan, Istanbul and Tashkent are also bidding to host the 2000 Games.

### Morocco win men's 10,000m

Khalid Skah of Morocco won the men's 10,000 metres gold from Richard Chelimo of Kenya. Addis Abebe of Ethiopia took the bronze.

### Table tennis title for China

Deng Yaping and Qiao Hong of China won the gold in the women's table tennis doubles. The silver went to compatriots Chen Zhe and Gao Jun. The bronze was shared by Li Bun Hui and Yu Sun Bok of North Korea and Hong Cha Ok and Hyun Jung Hwa of South Korea.

### Graf assured of a medal

Defending tennis champion Steffi Graf of Germany clinched at least a bronze by routing Sabine Appelmans of Belgium 6-1, 6-0 in the quarter-finals.

Meanwhile Wimbledon finalist Goran Ivanisevic guaranteed Croatia its first Olympic medal with a five-set victory over Frenchman Fabrice Santoro.

### Triple jump gold for US

Mike Conley of the US won the triple jump gold from compatriot Charles Simpkins. Frank Rutherford of the Bahamas took bronze.

### Australia crush UK at hockey

Outgoing champions Britain lost all hope of another medal when they were humiliated 6-0 by Australia in the men's hockey in the country's biggest win over the UK since 1964.

### Ukrainian walker disqualified

China won their first athletics gold in bizarre circumstances when Chen Yueling was declared winner of the women's 10km walk. Chen crossed the line after world champion Alina Ivanova of the Unified Team but the Ukrainian was disqualified for running. The 24-year-old Chinese walker finished in 44 minutes 32 seconds, pipping another Unified competitor Elena Nikolova by one second. Chen's compatriot Li Chunxiu won the bronze.

## Not all brute force and ignorance

Weightlifting is full of surprises, writes Nicholas Woodsworth

**W**HEN the men in leotards stepped up to the platform the other evening, dusted their hands with talc and tightened the belts around their waists, I expected a show worthy of a circus.

Weightlifters, after all, are the strongest men in the world, the kind of physical oddities commonly found in the company of bearded ladies and two-headed calves. I anticipated bulging muscles, heaving shoulders and quivering biceps - a show of brute strength. A show is what I got, but not the one I expected. Weightlifting is full of surprises.

My first surprise was that muscles, shoulders and biceps were not what I ended up goggling at. It was faces. The event was the final for lifters weighing up to 100kgs - some of the heavy boys of the sport - and so a lot of muscle was on display. But the struggle recorded in the lifters' faces was compelling. Their features form a record of intense struggle, determination and anguish.

Every weightlifter has a different set of facial contortions, vocal expressions and body mannerisms registering the tremendous depth of power being summoned. Denis Garon of Canada, for example, contemplates his weights with pursed lips and a long look of intense concentration before a lift. When the moment of effort comes, the tendons in his neck stand out like tent ridge-poles, his forehead takes on the appearance of a corrugated iron roof, his mouth opens wide and a tiny, strangled "Ah!" escapes.

Japan's Yoshimitsu Nishimoto, on the other hand, remains serene and Buddha-like throughout his performance. He gazes at the audi-

ence impassively, throws an inscrutable glance at his weights, and then without a flicker of emotion goes to work, raising 165kgs of steel over his brush-cut head.

For sheer spectacle I liked Waldemar Malak best of all. A crop-skulled 22-year-old Pole with a raw, farm boy's face, he treats the barbells like a personal enemy.

He comes on to the platform forcing short, sharp breaths of air through clenched teeth. He

Every weightlifter has different facial contortions, vocal expressions and body mannerisms registering the tremendous depth of power being summoned

grows at the audience, grows at his weights, mutters Polish imprecations, and then with a tremendous "Yaaaaagh!" drives the barbells into the air, turning the colour of a good Polish beet in the process.

Such aggressiveness pays off. Malak won a bronze medal, lifting a combined total in the snatch and clean-and-jerk events of 400kgs. Two Unified Team lifters, Russian Victor Tragoubov and Ukrainian Timour Taimozov, took gold and silver respectively with combined lifts of 410kgs and 402.5kgs.

My second surprise was that weightlifters do not look the way I thought they would. Bulging, rippling muscles - like walnuts stuffed into a condom, as Clive James once remarked - are not in great evidence in weightlifters. They are the trade-mark, rather, of the cosmetic body-builder.

Weightlifters do have tremendous muscle power, but not where you might think. It is not the arms, shoulders or torso that do most of the weightlifter's work - their

main task is holding the barbell in place once it has been raised.

By far the greatest part of the power that drives a 200kg barbell from the ground into the air over a weightlifter's head comes from the quadriceps in his thighs. Iraq's Nazar Kadir has quadriceps so big they bulge a good inch or two out over his elastic knee supports. Frenchman Francis Tournefier looked as if he has had metal bars surgically

inserted under the skin of his thighs. Another surprise was that weightlifting is not a matter of brute strength alone, nor even a question of technique added to strength. A good part of the weightlifter's skill is cerebral.

Not all weightlifters read Proust, but behind the contorted faces and tremendous physical effort lies great mental discipline. My final, and perhaps biggest, surprise came after the event was over. At a press conference I asked gold medal winner Tragoubov what his feelings were about Andrew Saxton, the British weightlifter who would have been competing against him that evening had he not been withdrawn for the use of performance-enhancing clenbuterol.

To the champion it was all news, until that moment he had not heard of two British weightlifting drug disqualifications in Barcelona. None the less, he rallied to Saxton's defence. It was distressing to hear such news, he said, but perhaps there had been some mistake. What has provoked scandal, shame and endless moral navel-gazing in Britain has caused little disturbance elsewhere. In most foreign newspapers, the withdrawal of Saxton and Davies has earned a line or two at the bottom of the inside sports page. In weightlifters' locker rooms at Barcelona, it seems, it has not even caused a ripple.

The truth is that in the weightlifting world drug abuse is commonplace, as the 1988 Seoul Olympics showed. The Soviet Union's Aleksandr Kurlovich not only won a gold medal in the super-heavyweight class, but set an Olympic record. He had previously been arrested in Canada for importing steroids, banned, then reinstated.

His two main competitors at Seoul, another Soviet and a Bulgarian, withdrew from the competition, presumably because of last-minute fears of improved drug-testing techniques. When two Bulgarians were subsequently discovered to have used steroid-masking diuretic drugs, the Bulgarians withdrew their entire weightlifting team from the Seoul Olympics.

Seen from outside the UK, the British weightlifters' withdrawal is, unfortunately, a comparatively minor affair. Nor are the days of drug abuse in the sport over. Not long before the Barcelona Olympics began, Wally Holland, president of the European Weightlifting Federation, expressed his concern over the use of a new generation of performance-enhancing drugs. This is a sport full of surprises. The most disturbing is that such temptations continue to make strong men weak.

Whatever the terrain, whatever the challenge, NYK keeps its promise of on-time delivery through door-to-door services. Truck transit is part of NYK's innovative sea, rail and air transport networks.

Borders between nations, between carriers, borders between products and between people and ideas are being dissolved. NYK's integration of global logistics and megacarrier capabilities opens fresh vistas on the borderless society.

**NYK LINE**  
NIPPON KAISEN KAisha, Ltd.  
Head Office: 1-1-1, Marunouchi, Chiyoda-ku, Tokyo 100, Japan. Tel: (03) 2341-5111. NYK Line Europe Ltd.: London Tel: (07) 263-2719. New York Tel: (212) 363-1422.

## Opposition

goals for a left of centre party as the millennium nears. We already know that the Labour's union links, that the party leader is expected to be a former accommodation agent, the Liberal Democrats and equally in two minds about proportional representation. As for the truly radical proposals, a change in the party name or a baroque scheme to shift the party's allegiance to state control, these have already been consigned to the dustbin.

Such internal wrangling could keep Labour on the edge and turn discontented Tory rebels into the government's real opposition.

## State pensions at 65

will be affected by the change and that they will not feel the effect of equalisation.

"Our recommendations for equalisation of state pensions are not a radical proposal," said Sir John Gifford, chairman of the SSAC.

In rejecting the proposal to lower state pensions to 60, Sir John said that the government's aim was to ensure that the state pension was a "realistic" one, reflecting the needs of the state's pensioners.

The committee's recommendation of a 65-year-old state pension would mean that the state pension would be paid to a larger number of people than at present.

The SSAC's recommendations would mean that the state pension would be paid to a larger number of people than at present.

The SSAC's recommendations would mean that the state pension would be paid to a larger number of people than at present.

The SSAC's recommendations would mean that the state pension would be paid to a larger number of people than at present.

The SSAC's recommendations would mean that the state pension would be paid to a larger number of people than at present.

The SSAC's recommendations would mean that the state pension would be paid to a larger number of people than at present.

The SSAC's recommendations would mean that the state pension would be paid to a larger number of people than at present.

The SSAC's recommendations would mean that the state pension would be paid to a larger number of people than at present.

The SSAC's recommendations would mean that the state pension would be paid to a larger number of people than at present.

The SSAC's recommendations would mean that the state pension would be paid to a larger number of people than at present.

The SSAC's recommendations would mean that the state pension would be paid to a larger number of people than at present.

The SSAC's recommendations would mean that the state pension would be paid to a larger number of people than at present.

The SSAC's recommendations would mean that the state pension would be paid to a larger number of people than at present.

The SSAC's recommendations would mean that the state pension would be paid to a larger number of people than at present.

The SSAC's recommendations would mean that the state pension would be paid to a larger number of people than at present.

The SSAC's recommendations would mean that the state pension would be paid to a larger number of people than at present.

The SSAC's recommendations would mean that the state pension would be paid to a larger number of people than at present.



## MANAGEMENT: THE GROWING BUSINESS

## Following in Lovejoy's footsteps



**JUST THE JOB**

There are three paths for those who want to become an antiques dealer but are lacking experience: a course at a college or university; a practical, hands-on apprenticeship working as an assistant to a dealer; or a job as a saleroom porter. There are many courses for students who want to pursue a career in antiques. The British Antique Dealers' Association (BADA) can supply details.

Finding a job in an antiques shop can be difficult because most dealers rely on the grapevine to obtain new staff.

For this reason, many antiques experts started as porters in the big auction houses where they were able to handle valuable antiques and gain experience at the same time.

Others decide to go it alone, buying antiques on their own account and opening a shop or even a stall. Some dealers have become successful without formal qualifications, but many fail.

To avoid being duped into buying fakes and forgeries from the unscrupulous, the safest way is to buy from one of the 400 British antiques dealers who are members of BADA. These dealers provide an after-sales service and seek to build long-term relationships with clients. They also offer advice on the restoration of antiques.

For all dealers, financial backing is paramount. Many ventures have failed because would-be dealers underestimated the capital needed to cover start-up costs. To stock a basic market stall can cost up to £10,000. The best place to set up a stall is at one of the large antiques markets or one-day antiques fairs that are advertised in the local press.

Salesmanship is vital in the trade. Having an esoteric knowledge of nautical and English silverware is all very well, but you also need to be able to translate that knowledge into a tempting sales pitch.

**Thomas Siemen**  
The British Antique Dealers' Association, 20 Rutland Gate, London SW7 1BD

Ian Hamilton Fazey looks at the venture capital industry

## Cash mountain in search of a home

Pressure is mounting on Britain's venture capital industry, the world's biggest after the US. The continuous growth of the 1980s has stopped and about £1.8bn of funds is available but uninvested.

A resultant pause in fund-raising is giving the venture capitalists' own backers - mainly pension funds - time to think. In spite of the clamour from companies to swap debt for equity to help them through the recession, or for working capital to help finance their way out of it, the uninvested funds are not available for these purposes.

They are for growth, for gambling on higher-than-average returns for higher-than-average achievement. They are not even for long-term investment. Venture capitalists - and the pension funds that back them - want returns of 30 per cent in three to seven years in exchange for taking the risk of losing all if a company they support fails.

Since they get their returns from the flotation on the stock market of the companies they back, or from the sale of the whole business or just their stake in it, recession affects them badly. If the funds cannot exit easily from existing investee companies, this inhibits them from backing new ones.

At the same time, pension funds which have backed the venture capital funds are still being charged management fees of up to 2½ per cent of their investments, even if the

money has not yet been put into any growing businesses.

Peter Folkman, a former 3i director who now runs North of England Ventures in Manchester, says: "What is now very clear is that this is a cyclical business. You cannot raise money in the UK at the moment, certainly not in the quantities that were available in the late 1980s." He questions whether the pension funds will ever again be as enthusiastic as they used to be when they are tapped again for money next year or, more likely, in 1994, when present stocks are depleted. "There will start to be a real shortage of funds in about a year's time," Folkman says.

The figures show what is happening. If 3i's network of more than 90 offices in London and the regions is excluded as an ever-present background of long-term development capital from the clearing banks, significant change in the venture capital industry is quickly apparent.

According to Ernst & Young, the accountants, UK funds invested £1.39m in 1988 in promising companies. This rose to £1.65bn in 1989, then fell back to the 1988 level before dropping to £1.15m last year. Since around £200m a year goes overseas, the UK position is worse than this looks. Yet while the market was turning down, the total pool available for investment was continuing to rise as pension fund managers got on to what most still saw as a bandwagon.

Venture Economics, a consultancy which analyses the industry, puts the pool of uninvested money at £3.94m in 1989, rising to £1.46m in 1989 and £1.85bn in 1990, when another £900m was, none-the-less, raised to carry forward.

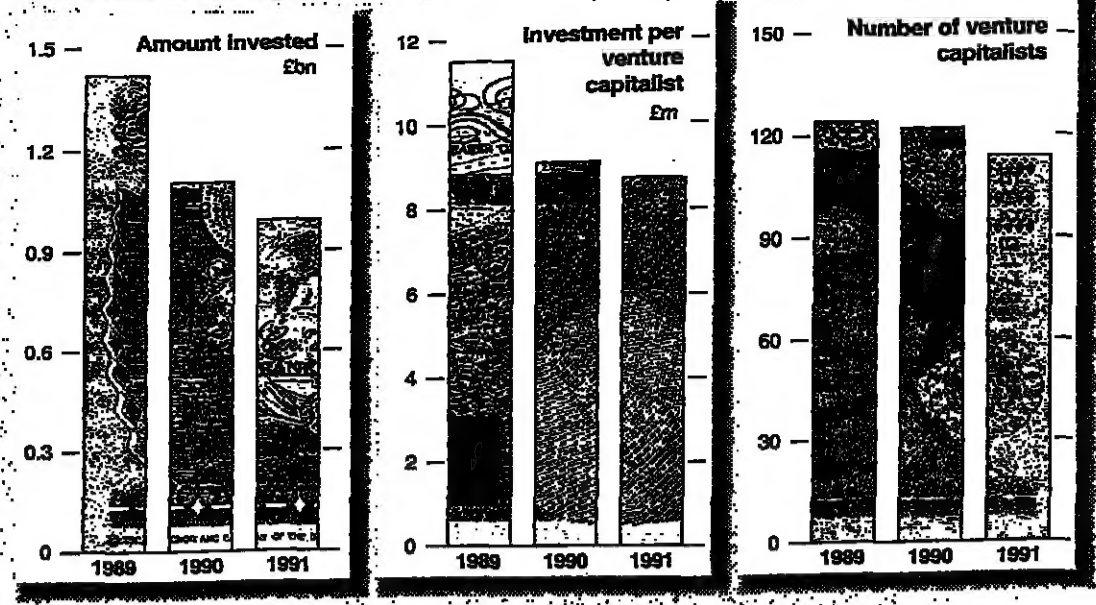
Folkman has been analysing the UK's figures for the last three years. With overseas investment stripped out, these show £1.42bn invested at the 1989 peak, declining to £388m last year, a fall of 30 per cent.

This pressure told on numbers of funds, with a shake-out from 124 in 1989 to 114 last year. However, the number of deals fell by only 8 per cent, from 1,302 to 1,196, so that the number of deals done by each fund - 10.5 last year - was the same as in 1989. To make these numbers add up, there had to be a fall in the value of investments made by each fund - from £11.5m in 1989 to £2.7m last year, a drop of 24 per cent.

However, this is not entirely bad news for the funds, as Folkman's further analysis reveals. Of the £388m they invested last year, 28 per cent was in the Midlands and north, the area where Folkman's fund operates. This was worth £277m and compared with £256m in 1990 when the regions' share was 23 per cent. Moreover, the same regions' share of the 1,196 deals in 1991 was 34 per cent, or 498. The comparative figures for 1990 were 29 per cent and 384.

The trend, therefore, is for more deals in the regions where recession

## UK venture capital market



Source: North of England Ventures

has not had such a serious effect as in the south, but at lower individual value. This is good news for regional funds, which grew from a handful in 1985 to more than 70 now. However, the regional funds are small, having only 25m-20m each to invest. This means that none is likely to put more than £1m into any single deal.

Charles Sherwood of Schroder Ventures says this is likely to lead to important changes in the industry. The first signs came in May when Schroder backed the purchase of Summit Equity Ventures, one of the oldest regional groups, from A.E. Sharp, the Birmingham-based stockbroker and financial services company. Summit has three funds worth £45m. It will now be run by Lindsay Bury, previously a founder of Aprilco Computers. A.E. Sharp retains 10 per cent but Bury's other shareholders will be Schroder Ventures and Folkman's North of

England fund, which Schroder also backs. Sherwood says the industry is now mature and is segmenting. The strength of London funds is in big, complex, international or specialised high-technology deals. This is making it hard to compete in the regions. "We don't have the ability to respond quickly to deals outside London and we don't have enough regular contact with intermediaries in regional centres to develop trust between them and our funds."

"If you have a small deal in, say, Leeds and don't need anything more than generalised venture capital skills, why even think of taking it outside Yorkshire?" he asks. He sees Schroder's tie-up with Folkman and Bury as akin to a franchising operation, with London money made more easily available for medium-sized or bigger deals in the regions.

It means a regional fund manager

can score on local knowledge and contacts with the growing professional networks of Manchester, Leeds or Birmingham, but then get over the problem of only being able to invest about £1m at a time.

There are, of course, other structures for disbursing funds from London, such as 3i's national network or County NatWest's chain of regional offices. But Sherwood thinks the new alliance between Schroder, Summit and North of England offers small regional funds an alternative to syndicating promising deals with competitors.

He thinks it will also appeal to pension funds when they start investing again, so it is a model other London funds are looking at. The potential benefits are also obvious for any growing business outside London that is a genuinely good venture capital prospect - however fraught the industry's struggle with the economic cycle.

## Learning lessons from the Olympics

Diane Summers reports on new initiatives in local economic development

no longer afford "turf battles" between the bodies, he said. Resettling them promptly announced another addition to the scene - a network of "first-stop shops", eventually to be 300-strong, which will provide business support. The first shops are not likely to be in business until next year. Even if they are successful, there remains the problem of co-ordinating the wider strategic questions of local economic development.

Here the government is likely to look closely at a report by Coopers & Lybrand, the accountants, and published this week by the business-led voluntary organisation, Business in the Community.

The study examines four European regions - Catalonia in Spain, Lombardy in Italy, Limburg in the Netherlands and Hamburg in Germany - and compares their local economic development records with the UK's. The report's main conclusion is that current initiatives in the UK are too fragmented and lack

the necessary "critical mass" to be effective. Consequently, individual geographical areas in the UK are unable to compete with regions in the rest of Europe.

One typical example is Barcelona's achievement in winning the staging of the Olympic games against stiff worldwide competition. Barcelona and Catalonia have detailed, interrelated plans for the future development of the region, backed by investment programmes under local control.

The study finds strategies are based consistently on Barcelona's role as the capital of a leading "Euro-region" spanning the French-Spanish border. The machinery was in place for city, regional and national government to work together to capture the Olympics, in spite of political differences.

Catalonia's historical and political development as a region cannot be mimicked overnight but the report suggests ways in which UK co-operation can be stimulated and

the necessary "critical mass" - economic strategies covering populations between 1m and 5m - can be achieved.

The initiative to set up pilot projects, building on the work of partnership experiments already under way in Birmingham and Nottinghamshire, should be "bottom up", says the report. Central government's role is principally to spread the message of co-operation and provide some financial incentives, perhaps along the lines of the City Challenge programme.

"Growing business in the UK lessons from continental Europe. Contact: Cristina Pons, Coopers & Lybrand, Plumtree court, London EC1A 4HT. Free.

## BUSINESS OPPORTUNITIES

READERS ARE RECOMMENDED TO SEEK APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

**"When I spoke to my accountant about raising property finance he suggested ..."**

071 499 4191  
**Nykredit**  
THE PROPERTY BANKERS

Company, market leader in general electronics, with particular applications in the fields of building automation and telecommunications, acquires:

- Trade-marks, consisting of a logo to be used for distinguishing innovative electronic products;
- Projects or patents for the realization of innovative hardware/software electronic products.

If interested, please send a description of the project and a facsimile of the logo to:  
**Casella SPI 24/B - Via Boezio 6 - 00192 Roma - Italy**

**ATTENTION LARGE ELECTRICITY USERS WANTED JOINT VENTURE PARTNER**

We are a small independent electricity supply company actively engaged in the building and operating of large diesel engine power stations up to 50MW. We would be interested to talk to users of large amounts of electricity, or potential venture partners in say, Chlorine/Sodium Hydroxide production, i.e. - your input, the chemical plant and know-how - our input, the power station and the know-how. Interested also in other ventures needing large amounts of power.

Contact for details: **ORMROD POWER**  
0942 811829  
Mr D Ormrod

**CONTRACT RESOURCE MANAGEMENT**

Do you have an asset which is underutilised and outside your mainstream core business? Does it provide a service to your commercial vehicle distribution fleet? If so, we have the expertise to take over and manage in house vehicle workshops whilst continuing to provide on-site service support together with fixed price vehicle repair contracts.

If you have in house facilities and would like to discuss transferring responsibility whilst retaining ownership to one of the most experienced workshop and fleet management teams in the UK, contact: **Andrew Brown, Leaseway Services Limited.**  
Tel: 081 579 9494 Fax: 081 840 3833

**VENTURE TEAM EUROPE**

New UK start-up company seeks opportunity for European market. Successful and highly qualified management team (MBA Ph.D. etc) previously designed, manufactured and marketed consumer and professional electronic equipment for worldwide distribution - including sophisticated digital satellite devices become new. New venture sought - management team (founders) having now sold original business to multi-national. Location - Cornwall, UK.

Call Kathryn in Boston Tel 617 932 3485 for information pack. Now!

**Regus**

**YOU WANT A QUALITY OFFICE EFFICIENT STAFF AND PEACE OF MIND AND YOU WANT IT NOW.**

Our business centres are there for you. When you want them, for as long as you need them.

Tel: London 071 872 5990  
USA: Toll Free +1 800 311 6664  
Your partner in over 70 international business cities

**STOP! THINK BEFORE GOING BANKRUPT OR LIQUIDATING YOUR BUSINESS**

Fryer & Co, Chartered Accountants, are Licensed Insolvency Practitioners who could help you to find an alternative.

Please ring either:  
**Pinkie Chater on Luton (0582) 32484**  
or **Alan Taub on 081-209 1125 or 0831-356596**

**COMPANY DOCTOR**

Having finished major project is now available for a fresh challenge. Reconstruction, cost flow, negotiations with creditors, property involvement, marketing efficiency etc. Completely new approach a specialty, often worth a look. I am not cheap but will work the cost. Complete confidentiality. Write to Box A4182, Financial Times, One Southwark Bridge, London SE1 9HL.

**BUSINESS OPPORTUNITY**

Danish producer of unique, high quality range of planning systems/clock for the professional user seeks UK distributor. Preference given to companies/persons with strong corporate sales and/or direct marketing experience. For further information please contact:  
**Karen Ewald, Royal Danish Embassy, 55 Sloane Street, London SW1X 9SR**  
Tel: 071 333 0247 Fax: 071 333 0243

**VCR Investment Opportunities**

Venture Capital Report (sat/1978) sets out and writes up businesses seeking capital/partners, and investors subscribe to the report.

Tel: 0491 579999

**CHANNEL ISLANDS**

Offshore Company Formation and Administration. Also Liberia, Panama & BVI etc. Total offshore facilities and services.

For details and appointment write: **Cory Trust Ltd, Belmont House, 24 Belmont Rd, St. Peter, Jersey, C.I.**  
Tel: 0534 70774 Fax: 0534 35401  
Telex: 419227 CRY JRM C

**Ex-SOVIET**

We supply a lot of equipment - pumps, valves, piping, instrumentation - to Ex-Soviet industries.

Oil & Gas Refineries Petrochemicals Chemical Pulp & Paper Steel Mining

Sometimes we are asked to arrange as part payment export of products, raw material, chemicals and oil. We would like to find two or three companies with good contacts to resell these products in Europe, Africa and the Middle East.

Please answer to: **Axel Larsson Industries P.O. Box 11052 S-16111 Bromma Stockholm, Sweden**  
Telex 19017 axella s Fax: +46-8-281026

**TRADE FINANCE**

- Letters of Credit
- Stock, Debtor and Trade Bill Finance and consultancy
- Commodity and Counter Trading

**Overseas Trade Corporation Ltd**  
International House, 1 St. Katherine Way London E1 9UN  
Telephone 071 702 9531

**PARTNER SOUGHT**

Electronics design and manufacturing company. £3750 p.a. (£50000) and BAFT approved facility. South Coast based, established 20 yrs. Key personnel shareholders following MBO. Operating at 30% capacity due to world recession. One product line, international certification. Well financed and break-even. Genuine opportunity for 20-25% (at least). Write to: Box No A4254, Financial Times, One Southwark Bridge, London SE1 9HL.

**AIRCRAFT FOR SALE**

Bargain Aircraft 1960 Falcon 20D 6969 hours since new HS.125 Series 600B 8 Place Interior

Contact: **John Keeble**  
Twinjet Aircraft Sales  
Tel: 0582 452888 Fax: 0582 400098

**SALE PRIOR TO AUCTION**

**LARGE COMPANY CLOSES OFFICE FURNITURE DIVISION**

Light Oak desks, Tables, Filing Cabinets. Grey desks, Tables, Cupboards. Conference tables with chairs.

London Ring: 081 549 9339  
North Ring: 0642 223353

**BUSINESS SERVICES**

**DEALING WITH ITALY?**

Experienced bi-lingual manager will examine proposals for marketing in financial/commercial fields for companies wishing to develop in Italian market. For details phone or fax: **+39 (0) 31 806503**

**MANUFACTURING FACILITIES OFFERED**

IN EASTERN EUROPE, seeking experienced managers to develop, present, low labour costs, sophisticated manufacturing environment in most fields. For details of your project to Molosk Productions & Distribution Tel: 071 602 1223.

**YOUR OFFICE IN LONDON**

From 70p a day. Accom/Tel Fax/Tlx/Post/Mail Box etc. Office Box.

Tel: 071 436 0166 Fax: 071 590 3729

**Your Offshore Office**

Mannin Secretarial Services Ltd, Isle of Man  
Tel: (0624) 672411 Fax: 676985.

**HARLEY STREET BUSINESS CENTRE**

Fully serviced offices, business address, board room, all secretarial services plus free telephone and faxing for further details. Phone: 071 597 5925.

**BUSINESS AND ASSETS** of solvent and business companies for sale/development and assets. Tel: 071 282 1164 (Mon - Fri)

**CONSUMER PRODUCTS - BUSINESSES WANTED**

A diversified privately-owned group engaged in the manufacture and the import and distribution of branded consumer products mostly to supermarket and wholesale and retail outlets, wishes to buy similar businesses anywhere in the U.K., or Continental Europe. Preferably profitable. Preferably branded. Majority or outright purchase. All letters will be answered and will be treated in absolute confidence. Please send brief initial details to: **Box A4253, Financial Times, One Southwark Bridge, London SE1 9HL.**

**BUSINESS FORMS**

We would be interested in opening discussions with any independent forms distributors who are attracted by the benefits of integrating their businesses with one of the major UK Direct Forms Manufacturers. Please reply in absolute confidence to: **Box No A4255, Financial Times, One Southwark Bridge, London SE1 9HL.**

**SEMINARS**

**TOP MANAGEMENT BRIEFING**  
**TOM PETERS**  
10 & 17 November 1992, Amsterdam

**Successful Computer Services**

Company wishes to acquire similar business with strong preference for contract hardware maintenance. Write to **Box A4256, Financial Times, One Southwark Bridge, London SE1 9HL.**

**Businesses Wanted**

We are an expanding Group of private companies seeking to broaden our field of operation by acquisition. Most businesses, except high tech, and companies will be considered. Write in first instance providing brief details to: **Box A4064 Financial Times, One Southwark Bridge, London SE1 9HL.**

**SUPPLIERS TO CHEMISTS & DEPARTMENT STORES**

We are an independent company wishing to acquire an established manufacturing or distribution company currently supplying chemists and department stores. Wide customer base preferred. Management retained if wished. Please reply in confidence to **Box No A4258, Financial Times, One Southwark Bridge, London SE1 9HL.**

**LIQUIDATION OFFICE FURNITURE**

EXCELLENT QUALITY LIGHT OAK AND MAHOGANY DESKS, TABLES, WORK STATIONS BOARD ROOM TABLES AND CHAIRS, EXECUTIVE AND TYPIST CHAIRS

500 Lots-unused

Catalogues from **Edward Symmonds Ptnrs** 0703 779778

**MANUFACTURER/DISTRIBUTOR COMPUTER ACCESSORIES**

United Kingdom manufacturer of personal computer accessories supplying the UK, customers, is seeking to acquire a manufacturing/distribution company of computer accessories, office supplies or related products to extend product range and European distribution. Excellent reputation and diverse customer base are essential. Please reply in confidence to **Box No A4257, Financial Times, One Southwark Bridge, London SE1 9HL.**







## TECHNOLOGY

## EDI on the bookshelves

It is estimated that 70 per cent of all trading documents printed by computer are re-keyed into another computer by their recipients, representing considerable time and cost.

One way to reduce this wasted effort is to introduce electronic data interchange (EDI) which allows for computer-to-computer handling of structured information like orders, delivery notes, invoices, credit notes and other commercial communications between trading partners.

In the UK, booksellers are the latest retailers to embrace EDI. First Edition, of Oxford, Kent, began supplying EDI services to the book community last month following a three-month pilot scheme involving five publishers and four booksellers/suppliers.

The potential market for EDI among booksellers is substantial. As Mark Hodder-Williams, managing director of First Edition, notes: "This is an industry with 15,000 producers and over 500,000 product lines."

Dillon, one of the biggest UK booksellers, estimates that it alone handles 1.5m invoices a year which, if placed end to end would reach from London to Leeds. The company spends about 11,000 hours a year keying them into computers.

First Edition, formed by Book Data, the book database company, and Vista Computer Services, the computer systems market leader in the UK book publishing industry, is providing EDI to the book industry based on the INS Traderset service. First Edition subscribers receive the INS Intercept-Plus software for use on any PC clone, an electronic mailbox, full installation and consultancy, plus staff training.

The service provides publishers, wholesalers, the library community and bookshops with access to a low-cost, fast and reliable 24-hour computer-to-computer service for exchanging commercial documents in agreed formats defined by the Book Industry Communication, the official co-ordinating body for EDI in the book industry.

EDI is expected to offer a number of advantages to booksellers including speeding up communications, eliminating repetitive data entry, increasing accuracy, enhancing customer service and reducing operating costs.

Paul Taylor

In the public imagination, cryogenics conjures images of astronauts frozen for science fiction's interstellar voyages or of rich Californians put on ice until the secret of eternal life is discovered.

Cryogenics - engineering at extremely low temperatures - is a serious business, however, with a range of applications in space and at a more down-to-earth level.

Inside one of Carrier's air conditioning factories in Syracuse, upstate New York, is a tightly-guarded prototype manufacturing laboratory where the final touches are being made to a "cryocooler", confidently expected to win a distinctly frosty reception.

Carrier is among a number of companies and universities which have been developing cryocoolers during recent years. Much of the work has been based on adaptations of the Stirling cycle engine patented by the Rev James Stirling in 1816, which can be used as a refrigerator if the direction of rotation is reversed.

Other advances in cryocooling were made by Philips of the Netherlands after the Second World War, while Oxford University's Department of Engineering Science has been developing cryocoolers for the past 14 years and was the first to produce a long-life maintenance-free cryocooler about 10 years ago.

Oxford's Stirling cycle cryocoolers are used almost exclusively for cooling infra-red detectors to give clearer images - two of its machines are installed on satellites - and its machines are now licensed to four companies in the UK and US, with a fifth deal in prospect.

The phenomenon that has galvanised Carrier into developing cryocoolers is slightly different. At extremely low temperatures, computer chips work much faster, because the resistance in the copper interconnects is reduced and the signals can travel more quickly. For reasons not yet clear, superconductors do not work at all unless kept very cold.

At 77 Kelvin or - 321 deg F - CMOS (Complementary Metal Oxide Semiconductor) chips used in mid-range computers are twice as fast as when used in a standard air-cooled environment. The 77 Kelvin benchmark is the boiling point of nitrogen, used because nitrogen has always been an inexpensive, convenient refrigerant, although the working gas in cryocooling is normally helium.

The challenge for widespread commercial use of cryocoolers in electronics has been in getting them to work unattended for a long period and in making them cheaply, says Brian Hands, a research lecturer at Oxford.

Andrew Baxter describes why engineering in sub-zero conditions is becoming a hot topic

## Chilling the chips



In conditions of some secrecy, Carrier, part of United Technologies (UTC), has been working with the computer industry and with the multi-disciplinary United Technologies Research Centre at Hartford, Connecticut, to solve the problem. In the past few weeks, it has unveiled the first 350W cryocooler with an estimated "initial maintenance-free power-on time" of 50,000 hours.

The Carrier cryocooler is designed to fit on the standard elec-

tronic equipment rack at the bottom of a computer unit. The CMOS chip sits on the cryocooler's six-inch copper plate cool head.

Carrier has spent some tens of millions of dollars on its cryocooler, says Charles Lockerby, business development director of the Transcold division's advanced electronics cooling unit.

Much of the effort has gone into improving reliability and reducing noise and vibration down to a total of 45 decibels, but Carrier has also

had to work hard, says Lockerby, convincing computer manufacturers "that it was going to be OK putting something mechanical inside the temple of the computer".

Carrier's hope is that mid-range computer manufacturers will buy the cryocooler in place of all the extra components currently used to make computers run faster. Once in volume production - which may not yet be for a year or two - the machines will cost about \$20,000 (\$10,500) when bought in quantity.

Lockerby sees a market of at least 10 to 15 years for cryocooled CMOS chips. The big question, however, is whether conventional developments in chip design will yield the faster speeds anyway.

Hands sees more potential for cryocoolers in supercomputers, where the availability of reliable, inexpensive systems will assist in the development of high Tc (critical temperature) applications. The availability of mass-produced cryocoolers may well depend on their success in the much bigger computer market.

There are many other possible applications. Carrier is beginning to develop a cryocooler for magnetic resonance imaging machines which use low Tc superconductors - MRI is used widely in medicine as an alternative to X-rays - and also sees uses for cryocooled superconductors in space and defence.

At very low temperatures, superconductors have zero resistance, but they can also repel an external magnetic field, in such a way that a spinning magnet can be held in a levitated position. Known as the Meissner effect, this creates opportunities for cryocoolers in magnetically levitated transport (Maglev) and for levitating flywheels to store cheap energy for electric cars, says Lockerby. "We'd love to put one in every electric car," he adds.

At Oxford, there is particular interest in developing Stirling cycle "green" refrigerators - using nitrogen rather than ozone-damaging CFCs as the refrigerant. The cool head of a cryocooler is very localised, requiring a fan to distribute the cold and thus necessitating a complete redesign. "The biggest problem," says Hands, "is persuading the fridge manufacturers that it's a good idea. They want a 'drop-in' replacement to CFCs."

Carrier's forthcoming entry into the emerging, fragmented market for cryocoolers could be very significant, although mass-production will have to wait until the computer industry is ready to incorporate the machines in their designs.

The project has been given a high priority within Carrier and UTC, and Carrier wants to use its global marketing and distribution network to support what is eventually intended to be a very broad range of cryocoolers, says Lockerby.

Technically Speaking  
Mind over matter

By Paul Taylor



I admit that I felt more than a little sceptical when I met the people who claim to have developed a "mind-controlled" computer - even if the research had been done in the Medical Electronics and Physics department at London's St Bartholomew's Hospital.

The idea is to operate the computer by relaxing or tensing up at the appropriate time. Today's keyboard is recognised to be an awkward interface between man and machine, but this seemed to be taking things a bit too far.

The front door of an average-looking house in Muswell Hill in north London did nothing to reassure me. Could this really be the right address for Menorah Software? It was, said Daniel Rogoff, Menorah's director, as he sat me down on a suitably relaxing sofa, about six feet in front of an ordinary looking PC clone - minus the keyboard.

I was soon wired up - with two small sensor pads strapped to the fingers of my right hand. The wires led to a remote-controlled box about the size of a cigarette packet which resembled a cordless computer mouse.

The electrodes on my fingers picked up biofeedback signals, in the form of skin resistance which, I was told, "has been widely used over the last 80 years as a 'marker' which reflects the state of physical, emotional and mental arousal of humans and animals."

Skin resistance is a well-established parameter for measuring psychological reactivity and was used by, among others, Karl Gustav Jung, the Swiss psychologist, and has been popularised by its use in "lie-detector" tests.

The signal, which varies according to how relaxed or stressed the person feels, is sent back via an infra-red link to a receiver in the PC which decodes the information and passes it along to the standard serial port of the computer.

Now for the clever part. Software in the computer processes the incoming data, displays it on the screen and communicates

interactively with the user through text, symbols, games and animation designed by some of the people who worked on the film "Who Framed Roger Rabbit".

Press the start button on the sensor control and the fun begins. The "game" I played, called Evolve, involved trying to move an animated fish, Relax, and the fish moves from left to right, turns into a mermaid who climbs out of the water, metamorphosing once again into a girl who walks up the beach, sprouts wings, and flies off into space, finally turning into a twinkling star. At least that's the idea. If, however, you tense up - as I did when Daniel asked me about deadlines - the whole process goes into reverse.

Other software modules included with the basic £189 (plus VAT) RelaxPlus package include "Mind-controlled Car", a driving game which requires the user to tense up as well as to relax, and two computerised interactive tutorials, Biofeedback and Muscular Relaxation. More games, including "mind-powered adventure games for children, home healthcare programs and a range of executive products for the office" are promised.

The least impressive thing about the system is probably the skimpy brochure which, in the tradition of pure hyperbole, claims that RelaxPlus will "help you attain your full potential by teaching your conscious and subconscious mind to communicate".

Is RelaxPlus more than another wacky computer game? Its developers think so. The system was devised by two healthcare innovation companies, Ultramind and Medec Developments, and is based on research by a medical team at St Bartholomew's led by Ernesto Kornemann in co-operation with Professor Bernard Watson, professor of medical electronics.

They believe that it may find uses in hospitals, doctors' surgeries, at home, and even in the office, where it might be used to help stressed executives "chill out".

RelaxPlus is distributed by Menorah Software: 081 803 4269.

## THE WEEK IN LUXEMBOURG

## EC law extends UK Social Security obligations



EUROPEAN LAW

IN TWO recent judgments, the European Court of Justice has clarified the application of community and UK social security rules in the context of family credit and income support.

In the first case, the ECJ ruled that family credit was a social security benefit which could be claimed by a worker from the national authority of the member country in which he worked even when resident in another EC state.

The court said that this also meant that the spouse of the worker who had never been resident or employed in the country in which the worker was employed could claim the worker's rights to family benefits for the members of his family to which he would otherwise be entitled.

The case concerned a civil servant who worked in Northern Ireland but lived with his wife and family in the Republic of Ireland. The wife claimed family credit to bring the family's income up to the minimum level of entitlement because her husband's earnings were at the time in question below the relevant threshold.

As a result of the court's ruling she should be paid family credit by the UK authorities rather than be left to claim any benefits available in

the Republic of Ireland.

This decision may be short-lived. A recent EC regulation will require benefits in these circumstances to be paid by the authorities of the country of residence. However, the situation could remain uncertain until any challenge to the validity of the new regulation has been made through the national courts.

Case C-78/91, *Hughes v Chief Adjudication Officer*, Belfast, ECJ FC, July 16 1992.

IN THE second case, the ECJ held that EC rules on equal treatment of men and women in matters of social security and regarding access to employment and vocational training did not apply to UK supplementary allowance or income support. Income support was previously known as supplementary allowance.

The court said, first, these benefits were not directly and effectively linked to protection against the social security risks covered by the equal treatment rules.

Second, the fact that entitlement to income support may depend on conditions which may affect access to part-time employment or vocational training by single parents was insufficient to bring the benefits within the scope of the EC rules.

The subject matter of the UK benefit scheme is the provision of income support for persons of insufficient means to meet their needs, not access to

employment etc.

Joined Cases C-63/91 and C-64/91, *Jackson and Crasswell v Chief Adjudication Officer*, ECJ FC, July 16 1992.

French overseas departments import charges unlawful

THE ECJ has condemned the charges imposed on imports into the French overseas department ("DOM"), Reunion, which were not imposed on domestic Reunion products.

The question of interpretation of EC law on the free movement of goods arose in refund proceedings before the Saint-Denis Court of Appeal (Reunion) brought by importers of cars from Germany and Sweden.

However, it limited the retrospective effect of its ruling to prevent financial difficulties for the Reunion co-operatives which had previously benefited from the revenue.

No refunds need be made by the Reunion authorities to parties who have not already filed their claims.

Case C-163/90, *Administration des douanes et droits indirect v Legros and others*, ECJ FC, July 16 1992.

Conditions for late collection of import levies

THE COURT interpreted various EC rules applicable to the collection of unpaid import levies on agricultural products in circumstances where the national authority responsible had made an error regarding the import certificate.

The Belgian authorities claimed unpaid import levies on eggs which the importer had declared at a lower amount in accordance with pre-fixed certificates which turned out to be issued unlawfully.

While pointing out to the Belgian Court of Neuchateau that the regulation whose interpretation it had sought was irrelevant, the court said the regulation did not prevent later claims by the importer for

repayment of sums wrongly paid to the authority.

However, under the applicable EC rules, it was for the national court to assess whether the tests for preventing national authorities from claiming extra payments, resulting from their own error, were satisfied.

In the absence of fraud or a mistake by the importer, factors such as the obviousness of the error and the importer's size and experience had to be examined by the national court before deciding that it was reasonable for a national authority to claim payment.

Case C-187/91, *Belgium v Societel Co-operative Belova*, ECJ 6CH, July 16 1992.

National cheese additives rules upheld

THE ECJ dismissed cases brought by the European Commission against rules banning imports of cheese with nitrate additives in Greece, Italy and Spain.

The court ruled that the commission had ignored the tests of legality for national food additive laws established in previous cases.

According to relevant EC rules, the member states' obligations were merely to establish an authorisation procedure for food additives and ensure there was a right of appeal in the event of refusal.

The commission had not suggested there was any infringement of these rules. As a result, the court was not in a position to rule whether national rules on additives infringed Rome Treaty rules on free movement of goods.

Cases C-95/89, C-293/89, C-344/90, *Commission v Italy, Greece and Spain*, ECJ FC, July 16 1992.

THIS report completes the coverage of the vacation judgments given by the European Court on July 16 1992, after the formal end of its summer sittings. The next report will cover the first week of the new sittings starting on September 14 1992.

BRICK COURT CHAMBERS, BRUSSELS

## PEOPLE

## Civil servant flies into Smiths

There is a degree of symmetry, if not poetic justice, in the fact that Nigel Hughes, formerly chief executive of the Defence Research Agency before he was replaced by John Chisholm who was lured from the private sector, should himself have now touched down at a big public company.

Hughes, a scientist and engineer with a long career at the Ministry of Defence, is the new director of technology at Smiths Industries' aerospace and defence group, succeeding John Hollington, who is retiring after 36 years at Smiths.

"Any civil servant always has a question mark at the

back of his mind as to whether he can survive in the private sector," says Hughes, who is 64. "I am delighted to have the opportunity to give it a whirl."

He explains that since his early days working on aircraft blind landing systems, he had worked alongside Smiths. "I understand their product range and technologies."

Moving on from the Royal Aircraft Establishment to the Ministry of Defence central staff in 1980, he became deputy chief scientific adviser in 1984. Two years later he was promoted to become director of the Royal Signals and Radar Establishment, whence he terminated the launch of the Defence Research Agency in April 1991.

But after two years as chief executive designate and chief executive of the DRA, he is philosophical about the MoD's choice of Chisholm to continue the job from last September. "All is fair in love and war," he says now.

From his new base in Cheltenham, Hughes will be in charge of the research and development function relating to civil and defence avionics at Smiths - which is understood to involve an annual research and development spend of around £100m.

## Insurance moves

■ Simon Pringle, Robin Stow and Michael White have been appointed directors of NEWMAN MARTIN AND BUCHAN.

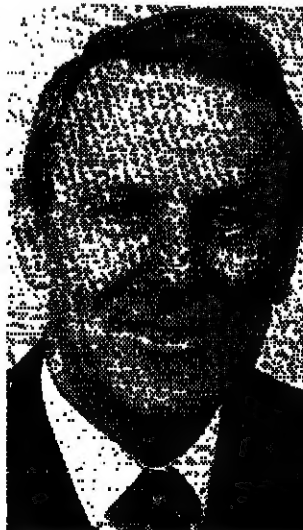
■ John Dettling, who represents the Sedgwick Group on the insurance sub-committee of the International Chamber of Commerce in London and Paris, has been appointed client servicing director of

## SEDGWICK JAMES (NATIONAL)

■ Alan Morgan-Moodie, former md of Albany International, has been appointed sales & marketing director of SUN LIFE INTERNATIONAL (DOM).

■ John Hiseock (right), director of ALEXANDER STENHOUSE's City branch, has been promoted to director of risk consultancy.

■ Keith Satchell is made a director of FRIENDS PROVIDENT.



David Skinner, the chief executive of the Co-operative Wholesale Society who succeeded Sir Dennis Landon in the top job in June, is beginning to build a senior team around him to press ahead with the movement's increasingly commercial approach. John Owen (above left), 49, a lifelong Co-op man, is to take on the position of controller of CWS Retail with responsibility for the society's shops as well as its travel, opticians and funeral services businesses. He will be complemented by Campbell Weir (above right), 57, most recently general manager, food marketing, who will become controller of CWS Production, which includes its farming, food manufacturing, milk delivery, engineering, consumer care and branded products businesses.

## Laurent Condomine, md of ICI France, has been appointed planning manager of the group planning department; he succeeds Bob Bew, who has been appointed general manager, petrochemicals and plastics business.

■ Bryan Topham has been appointed executive chairman and Declan Salter md of Watmoughs Ltd. Russell Allan is appointed executive chairman and Michael Howell md of DH Greaves, Robert Le Mare becomes executive chairman of Watmoughs Financial Print Ltd, Jowett Ltd and Jowett Direct Ltd. These are all subsidiaries of WATMOUGHS (HOLDINGS) of which Barry Smith is appointed company secretary and group financial controller.

■ Frank Hensworth, md of Unipart International, has been appointed to the board of the UNIPART Group of Companies.

■ John Munday has been appointed sales and marketing director and Adrian Rozario finance director of TREMCO Ltd, a subsidiary of Tremco Inc, part of BF Goodrich Group.



Christies International is in talks with Sir Anthony Tennant, the outgoing chairman of Guinness, about a position at the international art auctioneers, although Christie's was not yesterday prepared to confirm that Sir Anthony is its chosen candidate to succeed Lord Carrington as chairman.

An old Etonian - and art collector with a particular interest in British works including Scottish contemporary paintings - Sir Anthony combines the necessary establishment connections with the strongest of commercial pedigrees. During the past five years he is credited with putting Guinness back onto its feet after the scandal, and it is assumed that, even with the Christie's job under his belt, the 61-year-old will be in the market for another big industrial post after he retires from Guinness at the end of this year.

Lord Carrington has chaired Christie's since 1989, presiding over a very tough time for the art world. While Christie's now claims a 49 per cent share of the global market - its highest record since the 1960s - thus treading heavily on the heels of Sotheby's, it has seen a period of stringent cost-cutting with Christie's directors taking the lead and voting themselves 20 per cent payouts this year.

At 73, the former foreign secretary and NATO secretary-general, who, as the EC's chief negotiator, has been trying to bring peace to the former Yugoslavia, is likely to step down from Christie's next May at the time of the annual general meeting.

Promising "a further statement shortly" a Christie's spokeswoman would only say the house was "in discussion with Sir Anthony Tennant with a view to his joining the board".

## VENTURE CAPITAL

The FT proposes to publish this survey on

September 25 1992.

If you would like to reach the Financial Times audience, which includes the highest readership in Europe of senior business executives within finance and accounting\*, please contact:

Richard Huggins

Tel: 071-873 3688

Fax: 071-873 3078

Data source: \* European Business Readership Survey 1991



Art/Patricia Morison

# Wisdom of the Aztecs, writ in blood

THE WISDOM of the Aztecs was enshrined in a painted literature. As the conquistadors observed, the great Aztec ruler Moctezuma had libraries full of painted books and scrolls, the work of priest-scribes who "wrote" in colourful images rather than words. Human blood was dripped on to the pages to feed the images.

The exhibition *Mexican Painted Books: Before and After the Conquest*, at the British Museum in London, offers a rare opportunity to see these most vivid survivals of a vanished civilisation. But it does not make much of a list at explaining the complexity of what "reading" meant to the ancient Mexicans.

The American peoples were analphabetic. Essentially, the Aztecs and their neighbours used pictograms and ideograms, although by the 16th century they were beginning to evolve phonetic symbols. Page layout, the scale of symbols, the way they are grouped, even colour values: all influenced meaning. Decoding a book, as the Europeans commented, was a dual process, the eye scanning the images which prompted the reader to recite oral history.

Britain's museums and libraries own a remarkable collection of ancient Mexican manuscripts, the large part of which can now be seen in the exhibition. The earliest codices to appear in English bibliophiles reached Oxford's Bodleian Library in the early 17th century.

The magnificent Codex Mendoza was illustrated by native artists on the orders of the Spanish ambassador, to show Emperor Charles V what his new subjects were like. However, it never reached him - the galleon taking it to Spain was intercepted by a French man-of-war. Bought by Richard Hakluyt, the English ambassador to France, it ended up in the Bodleian Library at Oxford.

University Libraries at Liverpool, Manchester and Glasgow have also loaned books, maps and scrolls.

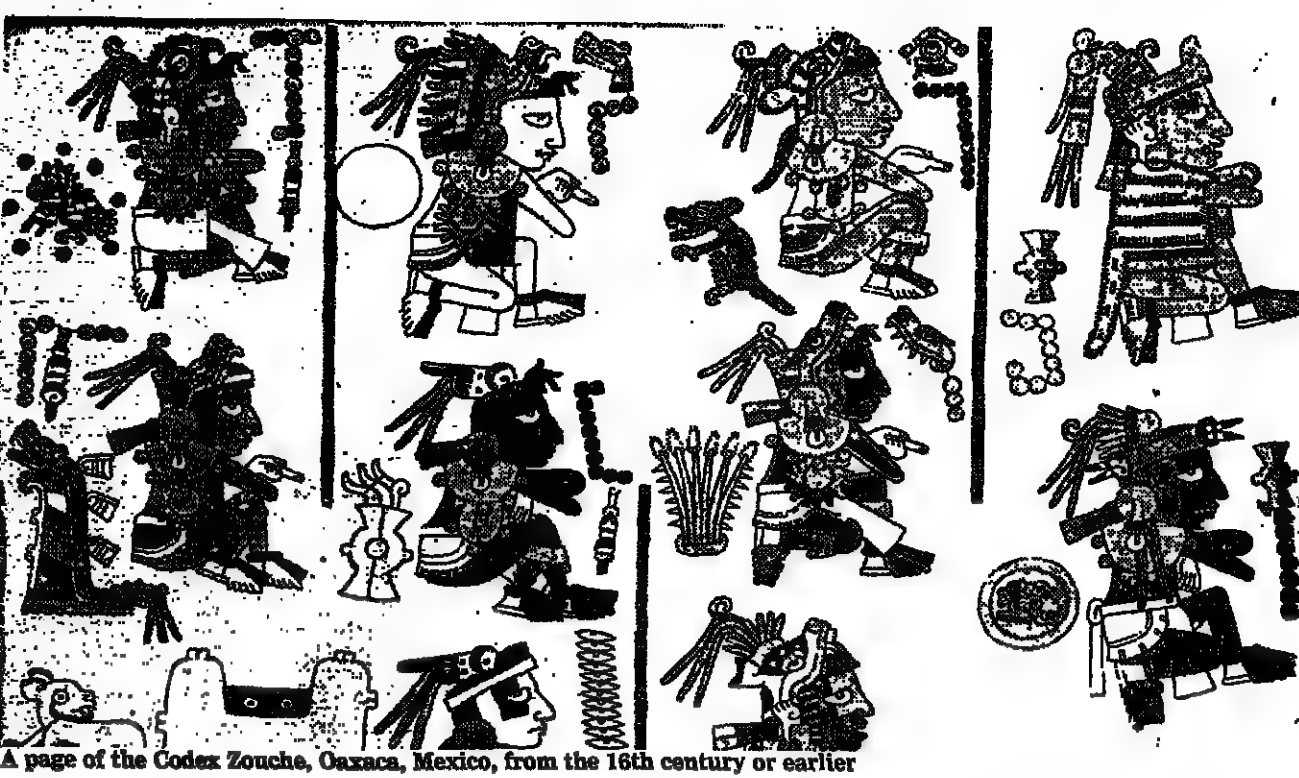
Perhaps inevitably, one's first impression of this show is one of gloom. Ancient Mexican books are fragile so light levels have to be kept low; even scholars normally have to make do with facsimiles.

A Mexican book was written on animal-skins coated with gesso, or on native paper made from the beaten inner bark of trees of the *Moraceae* family, such as figs and mulberries. Paper (small to the Aztecs) was also used to costume the statues of the Aztec gods, and in burnt offerings.

Quite the most remarkable things in the exhibition are the elaborate pre-Hispanic screen-fold books, long accords of painted animal-skins which could be read on both sides. In Codex Egerton, a Mixtec genealogy, we see 26 generations of rulers, symbolised by husbands and wives seated on thrones and passing mysterious presents to each other.

The Féjerváry Zouche and Laud skin-fold books are splendid, but baffling. Zouche was one of the manuscripts which Cortés sent to Charles V. One side (it will be turned during the show) relates the blood-thirsty career of the hero Eight Deer. On the other side, there is a genealogy focused on generations of goddesses all called Three Fins.

In the brilliantly coloured scenes in the Féjerváry codex - red, turquoise, and pale yellow within heavy black outlines - there are such ominous images that the human sacrifices of the Aztecs come readily to mind. Gods hold small figures by ropes around their necks. Severed heads are perched on stools and a jaguar



A page from the Codex Zouche, Oaxaca, Mexico, from the 16th century or earlier

headed god holds a human head between its jaws. Figuratively speaking, these pages are scattered with the blood of codicologists struggling to interpret them.

Post-Conquest books are, on the whole, easier to follow as native artists painted for their foreign masters, and became progressively influenced by the woodcuts in European books. Opportunely, there is a new book on this topic: *Serge Gruzin's Painting the Conquest: The Mexican Indians and the European Renaissance* (Unesco Flammarion, 281 pages).

This would be my candidate for the most desirable of all the new books on the Conquest. Written by a specialist, it is both a pleasure to read and beautifully illustrated from post-Columbian codices, espe-

cially the Florentine Codex; none of the pictures, oddly enough, are from the B.M.'s collection.

In the exhibition itself, the Kingsborough Codex provides a vivid picture of the fabulous wealth of the new country and of the cruel exactions of the conquerors. Indians are grabbed by the hair to force them to disgorge for the annual selling of the tribute-ships for Spain, laden not only with gold, "the divine sacrament", but with furs, obsidian, shoes, pottery jars, and brilliantly-coloured mantles and cloths.

In one scene, Cortés himself appears, ordering four reluctant tribute-payers to be burnt alive. Remarkably, one such Aztec tribute-list now on view was unearthed as recently as

1996 in the Ulster Museum. A charming little treatise of the mid-17th century shows the manufacture of cochineal, a red dye made from crushed beetles, which remained for centuries an important export.

As for Christianity, arguably Spain's greatest export to Mexico, it is represented by an 18th century illustrated example of the popular *Doctrina Christiana*. Here we see the radical disjunction between word and image which initially was so foreign to the Indians. The woodcut shows Adam and Eve expelled from the Garden of Eden. Was this a particularly poignant image to these recent converts? The text is in Nahuatl, written in Roman script.

The B.M.'s Aubin Codex, a history of the Aztec from 1682 to 1808, just might jog visitors' memories. Aubin was a 19th century French ethnographer who also gave his name to a pre-Hispanic codex of horoscopes which in 1841, was presented to the Bibliothèque Nationale in Paris. And then, ten years ago this summer, a Mexican journalist "liberated" it from its wooden box. By the time the library authorities had noticed its loss, the book was in Mexico's National Museum of Anthropology. Jacques Lang, French Minister of Culture, objected, but nothing doing. The Mexicans are sticking to their precious specimen of reverse plunder.

The exhibition runs until next spring.

Exhibitions/Marina Valzey

## Face facts: new visions of the visage



Face of Ken Moody, 1983, by Robert Mapplethorpe

TWO EYES, a nose and a mouth, five dashes placed in a circle: a face is what most of us first see - and first try to depict. We gaze into the faces of others, look at our own in the mirror, cover ours with all kinds of things, from make-up to sunglasses to bandages, depending on sex and culture. And we assume that we know each other's attitudes and feelings by interpreting the almost infinite range of expressions which the face, with its elaborate muscular structure, is capable of.

The face, stripped bare - the skull - is the ultimate *moment mori*. So it is inevitable that the face should be currently undergoing, on the outskirts of Paris, deconstruction and reconstruction in an enthralling anthology, *A Visage de Couvert* (The Naked Face) at the Cartier Foundation at Jouy-en-Josas until October 4.

Here, among other things, are tattooed Maori faces, the life mask of William Blake as the subject of painting by Francis Bacon, Andy Warhol's smiling Jackie in diptych and organic masks all put together beyond any framework of historic, chronological, geographic or cultural categories.

The collection is billed simply as "300 masterpieces from every civilisation" and described as "witnesses to the philosophical and aesthetic interrogation that man has always had with his own image". The French are hardly given to understatement.

There is a fascinating paradox at

the core of the exhibition. The faces are not presented as portraits and the subjects are rarely named. If identified, most mean little: for example, Robert Mapplethorpe's powerful photograph of a black face with its eyes closed - a living mask - is named as Ken Moody. And yet from the extraordinary 19th century bronze caricatures by Franz Xaver Messerschmidt to Picasso's cubist head of a man, the parade faces, however stylised, satirised and stereotyped, is a procession of remarkable individuality. Even the Malevich suprematist face - two squares, a rectangle and a curve in black (the ultimate smile) floating in a white rectangular space seems cheeky and smart and proves that revolutionaries can relax.

The exhibition is dramatically shown in three separate sections apportioned among three free-standing galleries in the spacious park - of the Cartier Foundation, opened by the company in 1984 to show thematic art exhibitions to the public. Occasionally the sense of chic occasion has overwhelmed the art: last summer's meditation on Vitruvius (Speed) was long on presentation and short on substance. Not so with The Face: divided into sections called The Grammar of the Face, Uproar, and Silence, there is plenty of room for the spectator to respond to a rich display in various media, including photographs and video.

The heads are almost exclusively frontal views. Appearances range from the startling smears of paint used like muddy cream by Frank Auerbach to his obscure emotionally telling portraits of his friends to the colourful and sinister watercolour heads by Francesco Clemente: a gouache and glued paper portrait by Paul Klee vividly evokes a face with orange blobs for eyes and nostrils set in a grey oval, a contrast to the radiant liveliness and immediacy of the second century Egyptian Fayum portraits of a young man which have adorned his coffin.

This is a primitive and sophisticated mix, and what becomes clearest of all is the surprising perversity of modern times. There are surprisingly few female faces on view. Many of the modern and contemporary artists as seen here defy history by cultivating the childish, affecting a knowing, sly innocence. They focus on anxiety and alienation, their images are fragmented and broken down, distorted and deliberately obscure.

The stark simplicity, coupled very often with elaborate decoration, of the masks and faces of North American Indians, African tribes and the classic perfection of antiquity, still have a persuasive power. After this extraordinary immersion into faces across human history, destroyed and reassembled, our own will never look quite the same again.

has festival performances of The Island of Spirits, an opera by the late 18th century Prussian court composer Johann Friedrich Reichardt (1733 Sun at Vadejstejn Castle), and Jones Forster's comic musical drama *Thine is the Kingdom*, in a revival of last year's successful production at Vadejstejn Old Theatre, opening on Fri and running till Aug 16 (143-12229).

**WASHINGTON**  
WOLF TRAP Ballet West gives performances of *Romeo and Juliet* tonight and tomorrow at 20.00. Fri and Sat: Peter, Paul and Mary. Sun: Wynton Marsalis. Next week: Wolf Trap Opera Company in *Die Zauberflöte* (Filene Center at Wolf Trap, 703-218 6500).  
**BALTIMORE SYMPHONY ORCHESTRA**  
This week's concerts at Oregon Ridge include a programme entitled *Romantic Works and Fireworks* on Fri, followed on Sat by Family, Fun and Fireworks, including Disney classics (410-783 8077).

**THEATRE**  
● Look - We Have Come Through: a show based on the memoirs and letters of D H Lawrence and his wife. Daily till Sat (Ole Theatre 301-924 3400).  
● Cats: Trevor Nunn's production of the Andrew Lloyd Webber musical. Till Aug 15 (National Theatre 628 6161).  
● Falestoland: William Finn's popular musical runs till Sun (Studio Theater 332 3300).

Music/Richard Fairman

## The Death of Moses

IN AN inspired piece of programme-planning the Promenade concert at London's Royal Albert Hall on Sunday brought together a pair of works based on the story of Moses. Biblical themes have been fruitful ground for composers, whether to serve as picturesque narrative or to investigate universal themes for the present day.

The new work was *The Death of Moses* by Alexander Goehr. Not strictly a first performance, as the piece had already been given two days earlier in Seville (dramatically a city which expelled its Jewish population exactly 500 years ago). But this was among the major premieres of this year's Prom season and the high standard of the performance by the Monteverdi Choir under John Eliot Gardiner will surely have done it justice.

Its theme is Moses's rejection of death, or by implication the refusal of man in general to accept his fate. In both John Hollander's words and Goehr's music, both incidentally a model of clarity of expression allowing a firm grasp of the issues the work seeks to address, that wider interpretation is suggested with commendable sleight of hand.

The music's style is at once ancient and modern. Inspired by the sounds of Monteverdi's

Vespers, Goehr has sought to translate some of those instruments into modern terms: the archlute becomes an electric guitar, the chamber organ a synthesiser, the cornetti are soprano saxophones. But the marvel of the small orchestra that he has assembled is its pungency, which continually brings to mind the oldest instrumental traditions.

In this way the music reaches beyond any specified period. The work is not a standard oratorio, certainly not an opera, although Moses's cry "I will not die" is placed with the sure dramatic sense of a composer well versed in the operatic medium. In its half dozen or so short sections it rather offers individual meditations on Moses's story, each specific in its aim, economical in gesture. Sacred though it may be, the mood remains sharply focused throughout.

All this is very much in the right vein for Gardiner and his highly disciplined band of singers. The New London Children's Choir joined them for the Goehr, but otherwise the cast was the same as for the first part of Handel's *Moses in Egypt* before the interval, with Michael Chance the counter-tenor, Nigel Robson the tenor, and the English Baroque Soloists. To both narrators of the Moses story they proved exemplary interpreters.

Theatre/Alastair Macaulay

## Phoenix

THE EXCITEMENT of this new play at the Bush Theatre by Roy MacGregor is the way its characters are caught up in the waves of recent history. The date is 1989; the Berlin Wall is falling, Renata, a former terrorist who caused the death of a West German bigwig and his daughter, knows that East Germany will no longer be a refuge for her. Bruno, her former partner in crime, wants her to keep his involvement secret, now that he is a prominent West German journalist with a wife, family and distinguished in-laws. He buys her promise of silence by arranging her reunion in Berlin with the father she has not seen for years.

The play's beauty lies in all the detail that surrounds this. You see Renata's father, Frank, initially in his poor New York abode. He was a jazz musician; his Phoenix jazz club was burnt after his daughter had caused those deaths. You see Renata's East German husband, Paul, who even knows her by another name; and you see him and a friend, Rudl, following her on a train to Berlin. They have never been West; and Rudl, determinedly hip, insists "It's gonna be a gas-gas." You see Bruno's wife, Gabi, and father-in-law, Otto - who would himself have been assassinated by terrorists but for an assiduous chauffeur.

The plot that links these people is worthy of *Le Carré* at its best. Renata is drawn from East German marriage, like a vixen from her lair, by her need to see her beloved father again. For her and for the more duplicitous Bruno, the past

keeps becoming far more alive than the present. Even their marriages become unimportant. And, for Renata the refugee from Western justice, there is now no future anywhere. I will not reveal what happens; you follow the narrative like a thriller.

Dominic Dromgoole has directed with marvellous concentration. Simple encounters and confrontations acquire immense eloquence. Body language, nuances of accent, details of behaviour all speak volumes without over spoiling the naturalistic tone of the play. Thanks to deft designs by Mark Viner, the play moves briskly from one locale to another. (Only the use of projections during the scene-changes misfires - too huge to be effectively visible.)

The cast does the play proud. As Renata, Nicola Redmond is always calm and inscrutable; whenever fires are left in her smoulder deep down. By contrast, Niamh Cusack as Gabi is eager, trusting and transparent. Both acquire great pathos as the play develops. Nick Dunning's burnt-out, inebriated Bruno is - as the plot requires - the most mysterious character of all: which in turn is repeatedly contrasted with the vivid, funny, tired old jazz-player Frankie, as played by Trevor Ray. Patrick Godfrey as Otto, Swan Stewart as Paul and young James Hooton as Rudl all ensure that each scene feels like a large and brimming chapter.

Continues at the Bush Theatre, London W12, until August 22.

## INTERNATIONAL ARTS GUIDE

### BARCELONA

Gran Teatre del Liceu 21.00 National Lyric Ballet of Spain in a mixed bill of choreographies by Duato and Roriz, repeated tomorrow. An alternative programme, including Jiri Kylian's *Stamping Ground*, can be seen on Thurs, Fri and Sat (412 1466).

### CHICAGO

**RAVINA FESTIVAL**  
Tonight at 20.00, John Williams conducts the Boston Pops Esplanade Orchestra in a programme of film music. Tomorrow's concert is a musical salute to the Big Band Era. On Thursday, August 13, Dumas and Maria Joao Pires play violin sonatas by Schubert, Beethoven and Debussy.  
Andrés Previn conducts the Chicago Symphony Orchestra on Fri and Sat, with piano soloists Pires (Fri) and Stefan Vladar (Sat). Sun: Puccini evening with Diana Soviero and Franco Farina. Mon: Bolcom and

Morris present American popular songs. Next Wed: Ella Fitzgerald (312-728 4642).

### COPENHAGEN

**TIVOLI CONCERT HALL**  
Elise Baines gives tonight's song recital at 19.30. Tomorrow, David Geringas plays cello sonatas by Schumann, Schnittke and Brahms.  
Antoni Wit conducts the Tivoli Symphony Orchestra on Thurs in a programme including Sibelius's First Symphony. Mischa Malsky is cello soloist in an orchestral concert on Sat, and Boje Skovhus sings Die schöne Müllerin on Sun. Next Mon, Dmitri Kitaenko conducts Tchaikovsky's First Symphony and Prokofiev's Alexander Nevsky. Aug 12: Giuliani conducts the ECHO (3315 1012).

### GENEVA

This summer's music programme at the Cour de l'Hôtel de Ville is built around the theme of dialogue between Europe and Latin America. Tonight's piano recital by Suzanne Husson includes music from Argentina, Guatemala and Brazil, as well as Chopin's 12 Etudes op 10. Tomorrow: guitar recital by Pablo Cohen, including works by Albeniz, Chick Corea and Leo Brouwer. Sat: Janis Kelly and Adrian Thompson, accompanied by Iain Burnside, give a song recital on the themes of European responses to American culture and Americans in Europe, including works by Frank Bridge,

Satie, Dominick Argento and Bernstein (312 4353).

### HAMBURG

Carlos Kaimar conducts the Hamburg Symphony Orchestra tonight at 20.00 in the last in its series of Tuesday evening summer concerts in the Rathaus (454946). Peter Schreier gives a Lied recital tonight in the St Michaelis Kirche (366588). Fri and Sat at the Planetarium: Robert Stehl conducts the Hamburg Mozart Orchestra in works by Mendelssohn, Mozart and Grieg (518621). St. Pauli-Theater has Cole Porter's musical *Kiss Me Kate* till Sep 10 (314344). The Deutsches Schauspielhaus has daily performances of *West Side Story* till Aug 30 (248713). Kampnagel International Summer Theatre Festival begins on Aug 13 and runs till Sep 5 (351721).

### LOCARNO

The Locarno Film Festival opens tomorrow with the world premiere of the "definitive" version of Visconti's *L. Gattopardo*, including several minutes missing from the version shown at the last Venice film festival (Piazza Grande at 21.30). The festival will also host the world premiere of Daniel Schmid's autobiographical film *Hors Saison*; the European premiere of Juice, in which Ernest Dickerson (director of photography for the most recent Spike Lee films) investigates Harlem ghettos; and a

retrospective of Italian director Mario Camerini (1895-1981), including *Il signor Max* and *Criminale*. The festival ends on Aug 15 (93-310232).

### NEW YORK

**BLUE NOTE**  
Ray Brown, who served with beboppers Charlie Parker and Dizzy Gillespie and now ranks as one of the leading jazz bassists, brings his quartet and singer Mariela Shaw for a six-night engagement starting tonight. First set at 21.00. Dining (Blue Note Jazz Club and Restaurant, 131 West 3rd St near Sixth Ave, 475 8592).  
**FAT TUESDAY'S**  
Anita O'Day, the jazz vocalist who rose to fame with Gene Krupa's band in the forties and recently made a critically acclaimed comeback, begins an engagement tonight. Music from 20.00. Dining (190 Third Ave at 17th St, 533 7902).

### SAN SEBASTIAN

Teatro Victoria Eugenia 20.00 Ballet Cristina Hoyos, also tomorrow. The San Sebastian Festival runs till Sep 1 (481160).

### SEVILLE EXPO MUSIC

The programme at the Maestranza Theatre continues with Manuel Penella's *El Gato Montes* staged by the Zarzuela Theatre of Madrid, daily from Fri till next Tues. This is followed by two concerts (next Wed and

Thurs) by the Pittsburgh Symphony Orchestra. Mstislav Rostropovich gives a cello recital on Aug 17.

### THEATRE/DANCE

The open-air Auditorium has a flamenco spectacular this evening, a concert by Rui Veloso of Portugal tomorrow and Vitorio Gassman's stage adaptation of *Moby Dick* from Aug 14 to 18. The dance programme at the Italic amphitheatre continues with Gulbenkian Ballet tonight and Maguy Marin Company on Fri and Sat. National Lyric Ballet of Spain gives three performances next week. Teatro Lliure's production of Beaumarchais' *Le Mariage de Figaro* runs at the Lope de Vega Theatre from Aug 13 to 16. The Central Theatre, specially created to show avant-garde theatre during Expo 92, has Carlos Marquerie's *Titanic* tonight, followed on Sat, Sun and next Tues by the Vienna Festival production of Jan Fabre's *Sweet Temptations*. The Palenque has daily performances of traditional Spanish dance and music.

● For further information, dial 0034 5 448 0404 from outside Spain, or 902 22192 in Spain.

### STOCKHOLM

**STOCKHOLM FILHARMONIC**  
Okko Kamu conducts a free late-evening concert on Thurs. There are further pre-season concerts on Aug 12, 16 and 20 (244130).  
**VADSTEJNA**  
Vadstejna, a medieval town 250km south-west of Stockholm,

### European Cable and Satellite Business TV

(all times CET)

### MONDAY TO FRIDAY

CNN 2300-2330 World Business Today - a joint FT/CNN production with Grant Perry and Colin Chapman  
Super Channel 0830-0900 (Mon) FT East Europe Report - weekly in-depth analysis from FTTV  
2130-2200 (Tues) Media Europe - what's new in European media business  
2130-2200 (Wed) FT Business Weekly - global business report with James Gilling  
0830-0900 (Thurs) Media Europe  
2130-2200 (Thurs) FT Eastern Europe Report  
0830-0900 (Fri) FT Business Weekly

### SATURDAY

CNN 0900-0930 World Business This Week - a joint FT/CNN production  
1900-1930 World Business This Week

### SUNDAY

Super Channel 1930-2000 FT Eastern Europe Report  
CNN 1030-1100, 1900-1930 World Business This Week

Super Channel 1900-1930 FT Business Weekly

Sty News 1330-1400, 2000-2100 FT Business Weekly



## FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL  
Tel: 071-873 3000 Telex: 922186 Fax: 071-407 5700

Tuesday August 4 1992

## Tilting at Cadbury

NOW THAT the responses to the Cadbury committee's report on the financial aspects of corporate governance are in, it is clear that they amount to something less than a ringing endorsement for a worthy but unconvincing document. They also pose a dilemma for a committee that now has to consider possible amendments to the report before its voluntary code of best practice comes into effect for financial years ending on December 31 1992. This is because the report, which seeks to strengthen the role of auditors and non-executive directors and to improve standards of corporate reporting, has been powerfully attacked from both ends of the spectrum.

One group, including institutional fund managers and the press, argues that Cadbury's form of voluntarism is inadequate and that the code's approach to enforcement via the stock exchange listing agreement and pressure from institutional investors is unlikely to work. Significantly, the Confederation of British Industry, while welcoming in principle a code of best practice, has also expressed worries about enforcement.

At the other extreme some leading industrialists argue in private that the report is so much bureaucratic nonsense. In public many support the line of the Institute of Directors, to the effect that Cadbury's desire to impose special functions on non-executive directors undermines the principle of the unitary board.

### Common sense

The problem for the committee is that while these lines of attack are ostensibly at odds with each other, they both contain grains of sound common sense.

The Cadbury report's origins lay in the spate of corporate scandals that followed the Thatcher boom. Many company collapses appeared to have been precipitated by dominant entrepreneurs who were not

subject to adequate checks and balances. Neither the institutional investors, the auditors nor the non-executive directors appear to have exerted a sufficient restraining influence. For want of proper accountability, companies were driven off the rails.

### Effective tool

A voluntary code of conduct is hardly the most effective tool for holding dominant entrepreneurs in check. It will, admittedly, provide a useful yardstick against which standards of boardroom behaviour and disclosure can be measured. But where entrepreneurs choose to ignore the code, the Stock Exchange's ultimate sanction of suspending the quotation will damage the very shareholders that the code was intended to protect.

As far as Cadbury's proposals on auditors and non-executive directors are concerned, there is much that is constructive in them. But they do not address sufficiently squarely the conflict in the position of auditors who are, in effect, hired and fired by the directors whom they are required to monitor. And by asking non-executive directors to combine an increased monitoring role with their existing managerial function, they demand too much. As long as the legal definition of the duties of non-executives is the same as that of the executive directors, they will tend to identify with the executive camp.

In the absence of more effective proprietorial control, the answer must be a separate legal definition of responsibilities for non-executive directors, including clearly defined monitoring obligations. But it will take many more scandals for the present government to accept that case. The corporate sector will thus muddle on with Cadbury, more or less; and the scandals will continue to come, too.

## Balkan refugees

THE UNITED Nations conference last week on how to deal with the problem of Yugoslav refugees did not come up with any ready-made solutions. But it has, at least focused governments' attention on an increasingly critical situation, demanding urgent action.

It is all the more unfortunate that the donor countries have been unable to reach a genuine consensus. Those such as Germany, Austria and Hungary, which have offered asylum to hundreds of thousands of former Yugoslav refugees, understandably feel that the burden should be more equitably shared between countries.

Others, such as Britain and France, which have already absorbed a large number of immigrants from their former colonies, do not want to open their doors to a new flood of refugees, particularly during a recession.

Critics of Germany's proposal that refugees should be fixed for each host country argue that transporting hundreds of thousands of refugees abroad merely plays into the hands of the

Serbs, whose policy of expelling Croats and Muslims is designed to create ethnically pure regions. But the alternative favoured by most nations, the creation of internationally-protected "safe zones" in the former Yugoslav region, also has some serious drawbacks.

The danger is that the Serb policy of "ethnic cleansing" has already gone so far that it will become impossible for most Moslem refugees ever to return to their homes. There is also a risk that the protected zones may become semi-permanent fixtures, like the Palestinian camps in Lebanon, at a huge cost to an already overburdened UN.

Given the urgency of the situation - shelter will have to be provided for some 500,000 Bosnian refugees next winter - all countries should be prepared to make an additional effort to take in refugees pending a move on the safe zones.

Washington's decision to offer Bosnian refugees "temporary protected status" is a formula which even Britain and France should find it possible to accept.

## Retirement at 65

THE SOCIAL Security Advisory Committee, an independent body set up by the government, has done its creator proud. Yesterday's report on equating state pension age says what the Treasury would most like to hear: that the retirement age for women should be moved from 60 to 65, to equal that of men. The packaging of this fiscally prudent suggestion is politically alluring. "A significant part of the money saved," says the report, should be used "to improve the well-being of the most vulnerable groups."

Even better, the cash should be diverted towards making the state pension scheme of the future "more responsive especially to the needs and requirements of women". These elements of the SSAC package form an "indivisible whole". In sum, backing is given to a proposal that will eventually save some £3bn a year, provided that most of it is spent on disadvantaged pensioners.

The suggestion is practical. Equalising the retirement age at 65 would bring the UK in line with most west European countries. Italy and Germany are moving in that direction, while France, the committee says, is currently reconsidering the costs of an earlier decision to shift downwards to 60. Moving to 65 would also allow the UK pensions industry to leave a huge sigh of relief. It is still wrestling with the consequences of the EC court judgement in the case of Barber v Guardian Royal Exchange Group. This ruled

against discrimination in occupational schemes, since when the trend has been toward equalising at 65. If the government establishes that age for state beneficiaries, it would be set in concrete.

Critics who accept that the cost of moving the pensionable age for men down to 60 is prohibitive may prefer a flexible decade, during which retirement could take place at between, say, 55 and 65. The SSAC report rejects this. It describes it as a system for trading off the savings on those who retire early and receive lower pensions against the costs of higher payments to those who defer retirement to a later age. On this basis the long-term sick and disabled, plus those for whom redundancy or unemployment in their 50s is a form of involuntary early retirement, would need income support for the rest of their lives.

The principal flaw in the SSAC's admirably succinct report lies in its rationale for proposing piecemeal improvements to the social security system. It wishes to avoid too great an increase in dependence on income support. The latter is a means-tested benefit, with a lower take-up than retirement pension. Certainly take-up should be encouraged in every way possible, but the eventual phasing-out of universal benefits and their replacement by better targeted payments to those most in need should be as much an objective of government policy as the phasing-in of an equalised state pensionable age of 65.

Summer heat and tourists are usually enough to persuade the citizens of Rome to head out of town. But Italy's current economic crisis means there are no holidays for government ministers and Treasury civil servants this year.

Mr Giuliano Amato, prime minister for a month, has acted fast since he came to office. Last Wednesday, he hustled through parliament, using a vote of no-confidence, an emergency budget package which includes £30,000bn of tax increases and spending cuts.

Yesterday's half-point cut in the discount rate (the rate at which Italy's central bank lends to commercial banks) to 13.25 per cent is a reward for such swift action. But the financial markets remain unconvinced that Mr Amato has either the courage or the political clout finally to bring the budget deficit under control without resorting to inflation and devaluation.

Investors are still commanding higher short-term interest rates than at any time since 1985, despite the easing of rates over the past week. This rise in rates has happened at precisely the time when a new government appears determined to cut the bloated public sector and when parliament may be too weak to oppose such reform.

"We are paying the price in high interest rates for past inaction at the very moment when we have a government prepared to do something," argues Dr Fabrizio Saccomanni, head of the Bank of Italy's foreign department.

In addition to its emergency package, the government has started to tackle the public sector. Privatisation remains a long-term goal, but transforming the four large nationalised concerns to joint stock companies under Treasury control is a necessary first step. The abolition of the system of indexing wages to the inflation rate, the *scala mobile*, confirms that both employers and trade unions recognise the need for change.

But for all its tough talk, the Amato government has yet to prove decisively that it has broken with Italy's dismal tradition of overborrowing. Successive governments, unable to cut spending or raise taxes, have closed the budget through borrowing and inflation. Repeated attempts to cut the budget deficit have been sabotaged in parliament. This year's package has avoided that fate, but is too small to stabilise Italy's rapidly expanding government debt, let alone set it on a downward path.

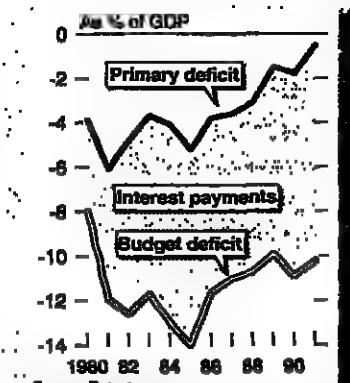
The package contains largely temporary measures while leaving important areas such as Italy's generous pension system virtually untouched. Despite its £30,000bn of cuts, it will leave the deficit some £30,000bn higher than was originally envisaged for 1992.

So Italy's public debt will remain high. At a little over 100 per cent of gross domestic product it places a

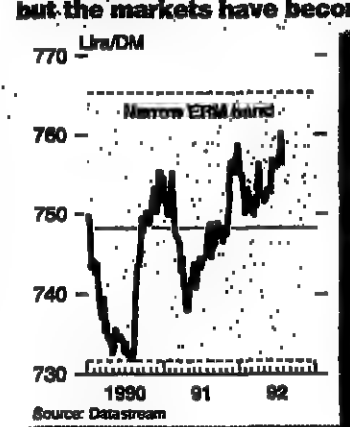
# The delicate art of persuasion

Italy's government has yet to convince investors of its commitment to budgetary reform, writes Edward Balls

Persistent deficits and a rising interest burden... mean Italy's debt is high and rising



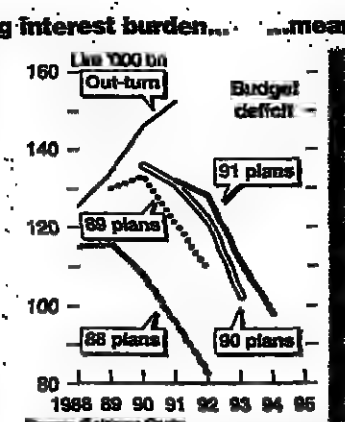
but the markets have become nervous... forcing short and long interest rates higher



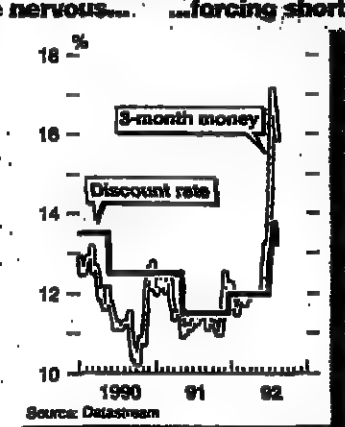
heavy burden on the budget and causes severe problems. The larger the debt, the greater the interest payments. The Italian Treasury expects the primary budget deficit, which excludes interest payments, to show a small surplus of £5,000bn this year. But interest payment on past debt will amount to £171,000bn, converting this small surplus into a budget deficit of 10.8 per cent of GDP.

Therefore, the government's fiscal strategy is still vulnerable to the mood of the market. The recent rise in short-term interest rates is having a devastating effect on the budget deficit: 28 per cent of the government's debt is financed by three-month Treasury bills. The Treasury forecasts assume average short-term rates of 13.5 per cent this year. Every percentage point on short-term rates increases debt interest by a further £16,000bn. Short-term rates eased slightly to close yesterday at 13.7 per cent. The financial markets had been losing patience with successive governments before Mr Amato took office. They have been stepping up demands for higher interest rates as the price of investing in Italian government debt and because they feared a government might devalue the lira and pursue an inflationary economic course.

Until the Danish referendum rejected the Maastricht Treaty on European Union, with its austere



limits on budget deficits, Italy's politicians appeared to have an incentive to control public spending. Since the ratification of Maastricht now appears in doubt, the markets suspect that Italy's politicians may not be willing to undertake the tough measures needed, under the convergence criteria of the treaty, to bring the economy into line with the rest of the EC.



The rise in interest rates since the Dames voted no is more than offsetting the impact of the government's emergency package. Perversely, the higher the Bank of Italy pushes up interest rates to persuade investors that the government will use spending cuts rather than inflation and devaluation to fund the deficit, the

limits on budget deficits, Italy's politicians appeared to have an incentive to control public spending. Since the ratification of Maastricht now appears in doubt, the markets suspect that Italy's politicians may not be willing to undertake the tough measures needed, under the convergence criteria of the treaty, to bring the economy into line with the rest of the EC.

Yet were the Amato government to be defeated in parliament through a vote of no-confidence, and to step down, a devaluation would probably be inevitable. "We are close to the end of the line," says Mr Giavazzi of the Treasury. "If things do not go through parliament then the next thing that happens is a really big financial crisis."

## Amato plays the chaos card

Robert Graham on the coalition's prospect for success

through a £30,000bn (£13.96bn) emergency economic package even though his coalition has a mere 18-seat majority in the chamber of deputies.

The second card up his sleeve is the reluctance of the parties to face early elections. The parties are divided, discredited and have no money, while the electoral system is in need of reform.

Yet the resignation last week of Mr Enzo Scotti, the foreign minister, was an uncomfortable reminder to Mr Amato that Italian politicians have little sense of state. This was not a case of a minister resigning over a disagreement on policy. It was entirely related to the internecine battles within the Christian Democratic party.

The party has been in turmoil

since the April 5 general elections, which saw its vote total fall sharply. Its traditional personal fiefs have been heightened by confusion over how it should reshape itself in the post-communist era.

Mr Scotti resigned because he refused to obey a controversial new rule that cabinet members must resign their parliamentary seats. He opted to return to his seat in

larger the fiscal adjustment needed to stabilise the debt, and the more nervous the markets become.

For interest rates to fall decisively, the markets must believe that the government is getting the budget under control. "There is a risk that the package will not be seen as a strong signal," says Dr Stefano Micossi, research director at Confindustria, the employers' association. Mr Stefano Patriarca, economics director at CGIA, the largest trade union, agrees. "You cannot simply touch things up. You have to go to the heart of the problem and close the deficit."

Treasury officials reject the criticism that they are going too slowly. The government promises its public sector reforms will be placed before parliament in early September. "We have spent the last 10 years worrying about the next six months," argues Mr Francesco Giavazzi, its chief economist. "In the past, we have introduced temporary measures which never deal with the source of the problem."

In an effort to prevent parliament thwarting its structural reforms, the government intends to bring in next year's budget without the customary detailed discussions. It will ask parliament only to agree the budget's broad principles, leaving it to work out the details. The aim is to reduce the budget deficit from 10.8 per cent of GDP this year to 10.2 per cent next year, and 8.3 per cent in 1994.

The government needs to persuade parliament to accept next year's budget plans in early September, to convince investors that it is serious about tackling the budget deficit and thus to encourage them to accept lower interest rates. For now the government has little option but to bear the path of high rates.

A devaluation now, before the 1993 budget package has parliamentary approval, would spell disaster. A weaker government would be sorely tempted to turn to direct monetary creation by selling debt to the central bank. This would lead to a loss of confidence, devaluation and possible hyperinflation soon afterwards. Both the government and the Bank of Italy say they are committed to maintaining the lira within its current ERM bands. "An immediate impact of devaluation would be a loss of credibility," says Mr Saccomanni. The Treasury agrees. "Now it would be the worst possible thing that could happen to the budget."

Yet were the Amato government to be defeated in parliament through a vote of no-confidence, and to step down, a devaluation would probably be inevitable. "We are close to the end of the line," says Mr Giavazzi of the Treasury. "If things do not go through parliament then the next thing that happens is a really big financial crisis."

parliament and will probably throw his hat into the contest for the key post of party secretary.

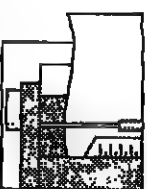
The turbulence inside the party could derail the entire government since it remains by far the largest party and has brokered power throughout the post-war era.

Yet the 64-year-old prime minister's skilful negotiating ability and his good cross-party contacts should not be underestimated. The parties appear to recognise that Mr Amato has opened the flood-gates to change. The real issue has become whether the Amato government can manage such change or be overwhelmed by it.

## PERSONAL VIEW

# A high-price market

By David Sawers



Some of the evidence that prices of many products are higher in the UK than in the US and other European countries has recently been discussed in the Financial Times.

The OECD's purchasing-power parity exchange rates confirm that only some goods - notably cars and electrical equipment - are relatively expensive in the UK. This raises the suspicion that special rather than general features of the British market may explain the high prices. One of these factors might be agreements among suppliers to restrict competition. But, as was shown by a recent investigation by the British Office of Fair Trading (OFT) into the price of compact discs, the OFT lacks the legal powers to find out whether such agreements exist.

Legislation to give the OFT such powers was proposed in a white paper in 1989, but the Conservative government has not considered this reform important enough to be included in its legislative programme - even though it was promised in its election manifesto. The weaknesses of UK competition policy extend beyond the powers of the OFT. The Monopolies and Mergers Commission (MMC), the main investigatory body under the existing law, has proved to be ineffective when faced with well-defended monopolies.

The most necessary reform is to give the OFT power to investigate whether restrictive practices exist - for example, by raiding the offices of companies to remove files which might contain incriminating evidence. The OFT presently has to rely on information that is publicly available or is volunteered by com-

panies it investigates. Not surprisingly, these sources do not reveal whether companies operate a cartel or just price leadership.

The second reform needed, but one not proposed in the white paper or the election manifesto, would be to create a more effective body than the MMC.

The MMC can at best be described as unprofessional and at worst incompetent. It is a body of part-time commissioners, while its research is done by the full-time staff. This separation between investigators and decision-makers reduces the effectiveness of the investigations. The MMC findings also suffer from the rigid legalistic approach with which they are conducted, and by their division between studies by the staff and hearings conducted by the commissioners. The commissioners may be more influenced by what they hear from the witnesses representing the companies being investigated, than by the evidence collected by their staff. The subjects of the investigation are often surprised by the ease with which the MMC accepts their arguments.

A depressing aura of mediocrity hangs over the MMC and its staff. Neither businessmen nor civil servants regard it as a desirable posting, so the quality of both commissioners and staff suffers.

The first weakness would be rectified by the proposals in the white paper which would bring the treatment of restrictive practices within the UK into line with that in the European Community. But the changes should be supplemented by the creation of an agency to take over the work of the MMC.

The reform might be best achieved by enlarging the OFT to form a UK equivalent of the German Cartel Office. Like the Cartel

Office, the UK counterpart should be staffed by lawyers, economists and others with experience of industry who can devote all their time to their job, and who are therefore better placed to take informed judgments than the part-time members of the MMC.

As in Germany, there should be the right of appeal from this new body to the courts; but unlike Germany there should be no provision for ministers to override its decisions. Competition policy should be based on economic principles and decisions taken by a quasi-judicial process. Political intervention will reduce confidence in the impartiality and consistency of the decisions.

Mr Michael Heseltine, the UK minister responsible for competition policy, appears not to rank an effective competition highly among his priorities. But he may change his mind when he learns more about British industry. Excessive competition has not been cited as an explanation of poor performance in British industry. Indeed the improvement in British performance in the 1980s seems closely related to the more intense competition of those Thatcher years.

Comparison with far eastern countries such as Japan and Hong Kong show that domestic competition is much more intense than in the UK, and is one of the more plausible explanations for these countries' rapid growth. Many manufactured consumer goods are cheaper in the Far East, and the US, than they are in the UK. Mr Heseltine should consider whether he is happy that the UK should be a high-price economy, or whether he would prefer to attack this culture by launching a more effective competition policy.

The author is an economic consultant.

**CHARLES TYRWHITT**  
Master of fine shirts  
Two-fold cotton poplin

**A SPORTING OFFER**  
Send for our free catalogue and we will send you a pair of brass collar stiffeners. Absolutely free and without obligation.

Removable brass collar stiffeners, exclusive to Charles Tyrwhitt, keep your collar smart and straight all the time.

Two-piece collar and split yoke for a correct but comfortable fit.

Generous cut for day-long comfort and lifelong wear.

Wide selection of plain and striped fabrics.

Choice of two-button single cuffs or double cuffs for men with cuffs.

Long tails designed to stay inside your trousers.

100% pure, two-fold cotton poplin, the traditional shirtmaker's choice.

Real pearl buttons, crossover attached to ensure they never fall off.

Twin-needle stitching with double seams round the neck for durability.

**BUY FOUR SHIRTS, GET A FIFTH ONE FREE**  
Two-fold cotton poplin shirts from £29.20

"Ours are quite simply, better shirts, generously cut from fine quality fabric and tailored to perfection. The difference is immediately discernible. Our mail order service has reduced overheads, so our prices are equally impressive. To find out more and claim your free brass collar stiffeners send for our free catalogue."

Fill in the coupon below, phone or fax.

**CHARLES TYRWHITT SHIRTS**  
Prospect, Saddlers Court, Canterbury, Surrey, GU17 7BR.  
Telephone 0252 860940 Fax 0252 861677

Please send my free catalogue and brass collar stiffeners.

Name/Mr/Ms/Ms

Address

Postcode

Charles Tyrwhitt Shirts, Prospect, Saddlers Court, Canterbury, Surrey, GU17 7BR



The British government is facing pressure to limit public sector salary increases, say Michael Smith and Peter Norman

# Heat is turned up on debate over pay freeze

The UK government appears increasingly like an embattled firefighter as it finds itself in a hot war of attrition over its economic policy.

For much of last week it was pouring cold water on advice for it to devalue sterling in the European exchange rate mechanism or quit the system altogether. Now it is having to turn its hoses on suggestions that it freeze public sector pay or at least peg it to inflation.

Such a move, which could affect up to 5.1m employees of central government, local authorities and nationalised industries, has suddenly gained a powerful head of steam.

Last week, Mr Howard Davies, the newly appointed director general of the Confederation of British Industry, set the ball rolling by proposing that public sector pay should bear the brunt of the government's efforts to hold its 1992-93 public expenditure plan at the £245bn level agreed last November.

Pleading for the government to channel resources into investment and infrastructure, he said: "The government pay bill should not increase at all in cash terms. Any increases in rates of pay should be financed through improvements in efficiency or reductions in government activity."

At the weekend, another recent appointee, Mr John Townsend, chairman of the Conservative finance committee, suggested a public sector pay freeze and cutting £500m from overseas aid to activate the housing market and bring on economic recovery.

By yesterday, the bandwagon was running sufficiently strongly for Downing Street to have to deny reports that Mr John Major was planning to veto public sector pay increases higher than the rate of inflation.

At first glance, the idea of limiting public sector pay has certain attractions. The government's finances are under

serious pressure with the public sector borrowing requirement expected to exceed its £28bn target for this financial year. Such a move might also mollify Britain's increasingly worried business community by showing that the government is prepared to add teeth to its counter-inflation policy and shoulder some of the burden of maintaining sterling's ERM parity of DM2.96.

But pay determination in the public sector is no easy matter. Different categories of workers have differently structured arrangements and bargaining procedures. Also, the Treasury, which negotiates with public sector unions, is guided primarily by a need to recruit, retain and motivate suitable staff. Heavy-handed intervention in public sector pay would jeopardise its efforts to put greater emphasis on perfor-

mance pay and greater flexibility within centrally agreed pay settlements.

Any attempt to keep pay rates to below inflation would probably mean clashes between the government on the one hand, and the public sector trade unions representing more than 5m public sector workers and the review bodies that recommend pay levels for a further 1.5m on the other. Pay freezes would make conflict inevitable, with a possibility of industrial action.

However, any confrontation would be unlikely before next year. The public sector pay round for 1993-94 is virtually complete. The first test of any new government resolve would be in January next year when ministers decide on the recommendations of the review bodies covering the armed forces, teachers, senior civil servants, nurses and doctors and de-

partmental pay and greater flexibility within centrally agreed pay settlements.

Any attempt to keep pay rates to below inflation would probably mean clashes between the government on the one hand, and the public sector trade unions representing more than 5m public sector workers and the review bodies that recommend pay levels for a further 1.5m on the other. Pay freezes would make conflict inevitable, with a possibility of industrial action.

However, any confrontation would be unlikely before next year. The public sector pay round for 1993-94 is virtually complete. The first test of any new government resolve would be in January next year when ministers decide on the recommendations of the review bodies covering the armed forces, teachers, senior civil servants, nurses and doctors and de-

## The continuing recession is sapping the militancy of the public service trade unions

Public sector pay is under attack from all sides. The government is pushing for a pay freeze, the CBI is calling for a pay freeze, and the Conservative finance committee is suggesting a pay freeze.

Public sector pay is under attack from all sides. The government is pushing for a pay freeze, the CBI is calling for a pay freeze, and the Conservative finance committee is suggesting a pay freeze.

Public sector pay is under attack from all sides. The government is pushing for a pay freeze, the CBI is calling for a pay freeze, and the Conservative finance committee is suggesting a pay freeze.

## A labour safe seat

The speculation about the future of Norman Willis, the 59-year-old general secretary of the Trades Union Congress, is bound to raise a few wrinkles.

While the current recession has seen a record number of trade unionists losing their jobs, and quite a few company chairmen who failed to perform have been forced to walk the plank, the job of running the TUC seems to have been one of the safer occupations around.

Certainly, the TUC is conscious that it needs to improve its image as a national institution. The Conservative and Labour parties and the CBI have all changed their leaders recently and are hoping that some fresh young faces will improve their public image. So why not the TUC?

Norman Willis has been doing his job since 1984 longer than most company chairmen. If he stays until retirement, he has another six years to go and will have done the job longer than any of his predecessors, save Walter Crine. However, even if Willis were to step down early, it is highly unlikely that he would be replaced by anyone more exciting than another TUC official, and on present form 45-year-old John Monks, the deputy general secretary, is the favourite.

The idea that a woman might get the job - ex-print union boss Brenda Dean's name has been mentioned - is rather exciting, but that is equally unlikely. Ever since Ciquie took the job in 1925, the general secretary has been recruited from within the TUC.

Norman Willis himself was a relative newcomer. He spent his first 25 years with the TGWU, the transport workers'

## Heart burn

If it takes six hours for an eminent National Health Service heart surgeon to perform one heart operation a day during the week, how many can he do on a Saturday, when he's working for himself with a production line team?

On a good day - eight.

## Female takeover

Italy's banks are famous for many things, but sex changes are not one of them. Not, at least, until the beginning of this month, when the three-way merger of Rome's big banks created Banca di Roma - the country's largest financial institution.

The new group is a mixed bag of male and female institutions. Banco di Santo Spirito is a venerable gentleman of Italian finance. The Cassa di Risparmio di Roma, the city's savings bank, whose managing director Cesare Geronzi is very much in the driving seat, is a big earner, but virtually unknown. Meanwhile, Banco di Roma is one of Italy's most international, if least profitable, banks.

Adopting the latter's name allowed for instant recognition in Italy and abroad, says Geronzi, a former Bank of Italy whizz. But the change of sex from the Banco to Banca (the normal gender for banks) will give the new company a more contemporary image, he claims.

## Searching

What price Companies House? Now that the annual report of the government's central corporate information service is in the public domain it is worth doing a few sums to see what Board of Trade President Michael Heseltine might get if he decides to privatise the 1,150-strong executive agency.

Valuing it at 15 times the operating surplus, for example, would make it worth £23.5m, which is virtually identical to the value of the fixed assets. However, no attempt has been made to value its huge historical database on all

## All in a name

Chung Ju-yung, founder of the Hyundai industrial empire and a candidate in this year's South Korean presidential election, does not want foreigners to think he is mooning around. So he has changed the English name of his political party from the Unification National Party (a faithful translation from the Korean) after advisers suggested that foreigners might confuse it with the controversial Unification Church, alias the Moonies.

The new name is not without problems, however. The United People's Party sounds as if it belongs in Stalinist North Korea and seems inappropriate for an organisation led by a businessman with a personal fortune estimated at \$3bn.

But perhaps it is not so wide of the mark. After all, it was Chung who pioneered trade ties with Pyongyang and recently broke a political taboo by suggesting that South Korea's underground Communist party should be legalised.

## Kiss of the spider

Sign of the repossessory times. A solicitor in Leeds reports that he has just done the conveyancing for a house called Cobwebs, which is short for Currently Owned By Woolwich Equitable Building Society.

# The community revisited

Hazel Duffy examines shifting strategies in urban regeneration

When Mrs Gwendolyn Mayfield took over as principal of Fowler Elementary school eight years ago, few parents ever came into the school. In this poor part of Atlanta, schools are regarded as institutions and therefore not to be trusted. Gradually she coaxed some of them to attend classes to learn the skills of being a parent.

Mrs Mayfield's efforts are part of an approach being used increasingly in urban regeneration in the US and in Europe. Emphasis is being placed firmly on recreating a sense of community in inner-city areas, rather than just pumping in extra resources.

Community empowerment - or community development as the specialists prefer to call it - is thought by many to be the strongest weapon in the efforts of public and private sector groups to combat poverty and crime.

There is nothing new about the idea of community. John Gardner, a pioneer of the community-building movement in the US, traces the strong sense of shared values which existed in the past to the ties that people had to each other in their villages back in Europe.

In the poorest areas, however, that sense of community has gone. "They are torn by everything from momentary political battles to deep and complex ethnic rifts. Separate worlds live side by side but fail to communicate or understand one another," says Gardner.

The Los Angeles riots demonstrated the dangers arising from such bleak, separate worlds. Other American and, increasingly, European cities know that it could be their turn next. The familiar litany of American inner-city problems - one-parent families, high unemployment, poor housing - is repeated in many European cities. The educational and social problems stemming from the growth in racial minorities in many cities accentuate the difficulties.

Indeed, and therefore constrained in effecting change in their own right, American city governments are turning increasingly to the big corporations, voluntary groups, parents and schools to help build some sense of community which has been lost in the violence and fear of ghettos.

A report to be published shortly by the Washington-based German Marshall Fund identifies the twin themes of community and schools as potentially the most powerful action points in the inner cities struggle. The report takes six cities, three in Europe - Glasgow, Rotterdam, Frankfurt - and three in North America - Toronto, Chicago and Atlanta.



The cities reflect different cultures, levels of prosperity, racial mix, and degrees of environmental and business support in dealing with their problems. But each city has ideas of relevance to others.

The principals of two elementary schools - one in Rotterdam, the other in Atlanta - demonstrate, for instance, how much greater is the task of teaching children from disadvantaged backgrounds.

Rene Visser, head of De Vian School, has 175 pupils spanning 15 nationalities. Some of his teachers have to cope with half a dozen different languages and customs although the government wants all subjects to be taught in Dutch.

Mr Visser wants to get parents more involved in the school and to make it a place where they can talk about the problems of adapting to Dutch society. His first venture will be to open a restaurant as a non-profit-making subsidiary to encourage parents to come into school after hours.

Gwendolyn Mayfield in Atlanta has used similar tactics. Spaghetti suppers, talent contests and parents' days which offer trinkets as an incentive to attend, are all part of the inducements.

Nearly all of her pupils are black. They live in the surrounding public housing projects. In acknowledgement of the uphill task, she gets extra staff and equipment, access to special teaching programmes for her staff and volunteers who work as mentors with many of her pupils.

The help comes from government, Atlanta-based corporations such as Coca-Cola, Bell South and IBM, and the prestigious Georgia Institute of Technology across the street.

The plight of Atlanta's poor has been taken up in the past few months by former president Jimmy Carter under the banner of the Atlanta Project. The project unit plans to coordinate the provision of social services with the diverse voluntary and business resources in the city, targeting neighbourhoods in need. The plan again focuses on schools as the focal point of organisation in each neighbourhood - elementary and middle schools form a cluster with the high school at the centre.

Beyond the education system, the Dutch approach to building community is a mix of carrot and stick. The 17 per cent unemployment rate in Rotterdam has prompted the city to experiment with schemes to get even the most unlikely job prospects back into work, as assistant caretakers, additional street cleaners, and so on. Without work, it is hard to foster a sense of being useful to the community.

Young unemployed people on training courses are closely tracked to make sure that they attend and follow through with

job interviews. If they refuse three job offers, their social security is at risk.

Wearing people off welfare to make them more responsible for the way they live, and to impart a greater sense of community into the areas where they live, is encapsulated in the Social Innovation programme piloted by Rotterdam city council and now taken up in other Dutch cities.

"Where governments have failed, there is much merit in giving the reins back to people," says Gerard Klein, director of the Rotterdam Social Innovation unit. Giving schools over to parents and the streets to their residents makes them more responsible. He thinks that there has been too much talk in the past about peoples' rights, and not enough about their duties.

This may sound like the radical right. But Rotterdam's city government is Social Democrat, and it deliberately invited leading members from the opposition to take part in its social planning exercise in order to get broad backing.

Community development is a long haul and the ground is infertile. To sustain community, leadership has to be identified. Community workers - voluntary and professional - must be trained to run the organisations. Leaders of urban schemes say this is where business can help.

They also emphasise that commitment must come from companies, schools and higher academic institutions to nurture the grassroots initiatives coming out of communities. Such initiatives might then turn out to be a rare bright spot in the cities of the 1990s.

## LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

Fax 071 873 5938. Letters transmitted should be clearly typed and not hand written. Please set fax for finest resolution

## Earth Summit sceptics miss the point

From Mr Eric Orr.

Sir: The prevailing dismissal of the Earth Summit, reinforced by David Lascelles ("Hot air in Rio sows green seed", *Business* and the *Environment*, July 29) deserve the business readership.

The summit's most lasting achievements are not the biodiversity and global climate treaties, but agreements on foundational principles to guide future international environmental initiatives.

Sceptics ignore two documents establishing these principles: the Rio declaration and Agenda 21.

Notably, Agenda 21, a consensus statement of more than 600 pages, emphasises the "crucial" role business must play in attaining "sustainable development". (The suggestion that sustainable development is "a flawed concept, if not an actual contradiction in terms" itself assumes a contradiction: the long-term viability of non-sustainable development.)

Environmental concerns are no passing fancy (witness Senator Al Gore's selection as US vice-presidential nominee). Instead of simply listening complacently to reports of weak treaties, while remaining deaf to an increasing volume of evidence which indicates a global consensus on the urgency of environmental issues, prudent businesses should instead adopt appropriate, well-considered, proactive environmental policies, in advance of fast-changing national and international regulatory regimes.

Those businesses that do not adapt are likely to find themselves quickly disadvantaged in competition with other companies ahead of the game (for

example members of the Business Council for Sustainable Development).

The inevitability of growing environmental controls, coupled with increasing consumer demand for environmentally friendly products and production, renders exclusive focus on short-term financial costs of new environmental regulation unchristian.

Agenda 21 directs business to join affirmatively with government, academia and international organisations to provide flexible, workable solutions to environmental issues that do not, in the end, only affect someone else, but instead affect us all. Business should heed the call.

Eric Orr, department of legal studies, Wharton School of the University of Pennsylvania, Philadelphia, US

example members of the Business Council for Sustainable Development).

The inevitability of growing environmental controls, coupled with increasing consumer demand for environmentally friendly products and production, renders exclusive focus on short-term financial costs of new environmental regulation unchristian.

Agenda 21 directs business to join affirmatively with government, academia and international organisations to provide flexible, workable solutions to environmental issues that do not, in the end, only affect someone else, but instead affect us all. Business should heed the call.

Eric Orr, department of legal studies, Wharton School of the University of Pennsylvania, Philadelphia, US

## A different perspective on Cyprus

From Mr Homer Habibis.

Sir: Berlin Lewis ("Turkish Cypriots suffered", *Letters*, July 22) does injustice to the concept and to the substance of your leading article of July 16 ("They must be stopped").

Turkey invaded Cyprus in 1974, when the Cyprus government had been overthrown by a coup which was stage-managed from Greece; 200,000 members of the Greek Cypriot majority community were expelled by the invaders from the occupied area in a blatant act of state-sponsored "ethnic cleansing".

Your editorial is supported by the formal findings of the Council of Europe's Commission of Human Rights, published on April 2 1992. (Report on Application No. 8007/77 Cyprus against Turkey.)

Neither during the intercommunal incidents of 1963-64, nor in the period before the 1974 invasion, was there any state-sponsored cleansing or killing of Turkish Cypriots in Cyprus. The UN peacekeeping force, on the spot since early 1964, can provide independent testimony exposing the falsehood of your correspondent's claim.

On the other hand, it is on historical record that Turkish air force planes bombed Cypriot Greek villages in 1964; that the Cyprus government offered economic incentives to Turkish Cypriots to return to their native villages; and that from 1968 to 1973, Turkish Cypriot leaders took part in intercommunal talks with Greek Cypriots for a negotiated agreement.

Homer Habibis, National Federation of Cypriots in Great Britain, 4 Porchester Terrace, London W2 3TL

## Single measures cannot rescue British industry

From Sirripuram K Rao.

Sir: Edward Balls ("Too lean for a long life", July 27) puts his finger on the most worrying aspect of the current economic situation in Britain when he says that, even in the depths of the recession, current account is in deficit by nearly 2 per cent of the GDP.

The intention to continue within the ERM at the present exchange rate is damaging to industry. Edward Balls clearly sees devaluation as the answer.

I agree that devaluation is necessary. I do not believe, however, that there is any one simple measure that will be sufficient.

What is needed instead is a package of policy. I see three elements to it: ● a devaluation by, say, 15-20

per cent within the ERM framework; ● a sharper reduction in public spending as a proportion of GDP than is currently intended;

● and increased public spending and improved incentives, within the diminished total public expenditure, in support of investment in manufacturing, and training.

While a devaluation would be inflationary, a realistic adjustment of the exchange rate, coupled with a commitment to stay within the ERM, should help to improve confidence which is fast evaporating.

Such action may accordingly prove less damaging to interest rate prospects than might have been feared. At the same time, a declared

intention to reduce public spending in the medium term (as the government has done, but needs to go further) would help to undermine inflationary pressures, and improve prospects for cuts in interest rates.

Finally, a reordering of priorities in public spending, within a diminished total in favour of manufacturing and training, need not be at the expense of health, education or the necessary welfare expenditures.

In the wake of reduced east-west tensions, there is an obvious opportunity for it through even more aggressive cutbacks in defence expenditure than the government has been prepared for so far.

Sirripuram K Rao, 7 Marfield Gardens, London NW3 5SJ

## Catalan flags fluttering in Olympic city make a passionate point

From Ms Elisabeth Miró.

Sir: I refer to Peter Bruce's article "Catalan nationalists and nationalists play games with the Games" (July 24). While I respect and applaud a diversity of opinions about the economic and political reality of Catalonia, and recognise that it must be difficult for a person outside Catalonia fully to understand the feelings of people who were born or who live and work here, I must take issue with

parts of Mr Bruce's article.

When he states that Catalonia is a "small, semi-industrialised region on the margins of Europe", he is ignoring economic statistics (Catalonia's gross domestic product in 1991 stood at 102.28 per cent of the EC average), and permitting prejudices to influence his definition of marginal. Many other political and economic observers are, on the contrary, naming Barcelona, Catalonia's capital, as the capital of the Mediterranean.

When he refers mistakenly to "poor Madrid" as having had to fund half of the Olympic housing, etc, may I remind Mr Bruce that Catalonia has always been a net payer of taxes to the Spanish state and is merely receiving now public investment that should have been undertaken years ago. Mr Bruce warns that an "occasional youth wearing 'Free

Catalonia' on his T-shirt"

might throw himself in front of the cameras. I suggest that Mr Bruce should visit Barcelona and count the Catalan flags hung from balconies. He may conclude that not only an occasional extremist youth feels Catalonia is his country, but the majority of the population. Elisabeth Miró, Calle Londres 70, Atico 1a, Esc B, 08036 Barcelona, Spain











## INTERNATIONAL COMPANIES AND FINANCE

## Pirelli in fresh move against Continental

By David Waller in Frankfurt

HOSTILITIES between Continental and Pirelli, two big European tyre companies, flared up again yesterday as Pirelli launched legal action designed to nullify the outcome of the Continental's annual meeting in Hanover last month.

At this meeting, Pirelli was outmanoeuvred for the second year in a row in its attempt to overturn voting restrictions at the German company. Mr Ulrich Weiss, chairman of Continental's supervisory board and a director of Deutsche Bank, then simply declared that Pirelli was not entitled to vote its full holding.

Pirelli, which owns 5 per cent of Continental directly and has options over a further 34 per cent, is maintaining it should have been able to vote the entire stake. Had this been the case, it argued yesterday, voting restrictions would have been overturned and the meeting would not have granted approval to Continental's management, as is required under German corporate law.

The legal challenge was not unexpected. At the meeting last month, Mr Gert

Silber-Bonz, chairman of Pirelli's German operations, delivered a furious denunciation of Mr Weiss's tactics and said Pirelli would challenge the outcome of the meeting in the courts.

The two companies spent over a year in fruitless merger talks which were abandoned in last December last year after the Italian company ran into severe financial difficulties. Hostilities began afresh after Pirelli launched its second attempt to overturn the rule which limits voting rights in Continental to 5 per cent, no matter how big the shareholding.

Pirelli said yesterday that Continental had been wrong to say that the shares held under option by Pirelli and Mediobanca, its banking associate, should be aggregated with Pirelli's direct share stake for the purposes of voting rights. "The call options were normal call options," the Italian company said yesterday. "It has never been maintained by any authority on German law that call options are a basis for aggregation. Therefore all votes at the general meeting should have been counted."

## First-half downturn at Baer Holding

By Ian Rodger in Zurich

CONSOLIDATED pre-tax profit of Baer Holding, the Zurich banking group, fell 13 per cent to Sfr69m (\$430m) in the first half of the current year, mainly because of a sharp drop in income from securities trading.

Baer said income from securities trading tumbled by 36.9 per cent to Sfr44m, mainly because high interest rates discouraged investors from the equity market.

Net commission income increased by 11.7 per cent to Sfr91.4m, reflecting good progress in portfolio management and investment fund business while net interest income was flat at Sfr34.4m.

The result, after other income of Sfr16.5m, was a 3.3 per cent decline in total income to Sfr205.3m.

Consolidated total assets stood at Sfr6bn at June 30, up 6 per cent from the end of last year.

The value of clients' assets entrusted to the Julius Baer group rose 5 per cent to Sfr31.3bn, and the total assets of Baer Group investment funds climbed 26 per cent to Sfr1.5bn.

## Marzotto begins to flex its muscles at Boss

Haig Simonian on the Italian men's clothing group's prospects after its German deal

SIX months after taking control of Hugo Boss, Germany's best-known mens' clothing group, Marzotto, the big Italian textiles and clothing concern, is starting to flex its muscles.

Italian representatives have joined Boss's supervisory board and Mr Peter Littmann has been hired as chief executive, replacing from next March the brothers Uwe and Jochen Holy who brought the company - founded by their grandfather - from obscurity to international fame.

After spending \$165m last December on a 63.7 per cent stake in Boss and an option to buy 13.8 per cent more, Marzotto, chaired by Mr Pietro Marzotto, had been waiting patiently to reinforce its position.

However, Mr Marzotto asserts there is no question of Boss losing its identity or merging with his company, which had sales of L1.280bn (\$1.12bn) last year. "At least not for the time being," he says. "These first six months have been spent seeing how to use the existing synergies. Talk of merger is premature."

Boss, which made net profits of DM35.4m (\$23.2m) on sales of DM997m in 1991, will only be consolidated from this year. But the companies have been examining how to co-operate to improve efficiency and save money, short of amalgamating.

Savings have already been identified by collaborating in "outsourcing" - subcontracting work to low-cost countries - acquiring accessories like linings and buttons and data

processing. Mr Marzotto explains. Working groups of managers from both sides are being formed, and detailed proposals should be ready by year-end. "There is already a marked exchange of management and ideas," he states.

Part of the improvement will come through resolving difficulties at Joseph & Feiss, the US men's clothing group Boss purchased in 1988. Hailed as a breakthrough into the lucrative US market, the concept turned sour as a result of collapsing US demand and the need for expensive modernisation at the company's Cleveland plant.

The problems with Joseph & Feiss "were a bit of everything", Marzotto managers explain. Losses arose owing to problems in retailing and distribution, while earnings were depressed by the recession.

Boss had already begun modernising Joseph & Feiss, where over half the output is up to its standards, says Mr Marzotto. That should rise to 100 per cent by next March, when all the production lines will have been brought up to date. He remains as convinced as the Holy brothers of the validity of the acquisition. Under their strategy, Joseph & Feiss would continue making its well-established brands to traditional US tastes, while introducing softer, more European-styled Boss apparel. Around 80 per cent of the Hugo Boss formal wear, like suits, sold in the US is already produced in Cleveland.



Pietro Marzotto: Testy about current performance

The priority is to relaunch Joseph & Feiss's own brands, says Mr Marzotto. The new equipment should raise quality while cutting overheads. Although a loss is still forecast this year, the company should break even in 1993.

Revising a troubled apparel operation is familiar ground for Marzotto. Like many Italian manufacturers, it has been caught in the vice of producing the bulk of its output in a high-cost country with relatively high inflation, heavy social security costs and a fairly strong currency.

"The situation in Italy today penalises all manufacturers requiring substantial amounts of labour," he notes.

Marzotto's profits have fallen for three years running. Group net earnings last year were just L39.8bn, 12.3 per cent down on 1990 and two-thirds of their 1988 peak, triggering a 20 per cent dividend cut.

Mr Marzotto grows testy when probed about current financial performance. Enquiries about prospects for the dividend are dismissed as "arrogant", while predictions on net earnings, especially at group level, are based on factors "which are not interesting for readers", he replies.

In spite of falling demand in most big markets and increasing competition, parent company operating profits, adjusted for acquisitions, should rise this year, he says. The increase will come through higher productivity and lower costs, while a better product mix, weighted more towards higher value items, should also contribute.

Taking free cash-flow as his measure, Mr Marzotto says this year's figures will "certainly be better" than in 1991. Earnings at group level are tougher to predict, as much hangs on how Marzotto treats the difference between the acquisition and book price for Boss. And Boss's final-quarter sales, traditionally very important, will also play a part.

Raising earnings will partly depend on pushing through the strategy of internationalisation which dictated the Boss acquisition. Prior to the purchase, 70 per cent of Marzotto's sales came from Italy, where over 90 per cent of its goods were produced. This year's consolidated figures, which will see turnover rising to around L2.100bn, will show domestic sales falling to around 55 per cent of the total, while the domestic share

of production will have fallen to around 60 per cent, forecasts Mr Marzotto.

Longer term, his aim is to reduce the Italian share of apparel production down to "a very significant minority". For textiles, manufacturing at home "will always be preponderant", he says.

Bringing that about will entail some further adjustments to the group, which has tripled sales in the past six years, largely through takeovers. Acquisition-led growth is set to continue, probably in eastern Europe at the outset. And there will be disposals of non-core businesses.

The recent sale of its work clothes subsidiary and its 50 per cent stake in another small offshoot have brought the group's target closer. The disposals should also generate "a certain capital gain" for the first-half results. However, there is still a little more to do, says Mr Marzotto.

International demand and the Italian economy permitting, the group should remain on course with its financial strategy of maintaining its ability to generate cash, without turning to shareholders for funds, and keeping up the dividend.

For Mr Marzotto, this year's dividend cut was an isolated event triggered by the Boss acquisition. But with the market still difficult and Italian manufacturers increasingly penalised by domestic economic conditions, investors will have to wait until early next year to see whether he is proved right.

## Weak housing sector hits Abbey National returns

By David Barchard in London

ABBEY NATIONAL, the UK mortgage lender and retail banking group, yesterday reported a 12 per cent fall in its pre-tax profits during the first half of the year as a result of the depression in the housing market.

Pre-tax profits in the six months to June 30 slipped to £270m, in line with the lower end of market expectations, from £280m a year ago. Earnings per share fell from 15.7p a year ago to 13.4p.

Provisions against problem loans were £138m, up from £58m a year ago and £97m in the second half of 1991. The

figure included a general provision of £30m, up from £23m a year ago, for UK residential mortgages, and a further £30m in provisions against losses in France and Spain and unsecured lending in the UK.

Total operating income rose 12 per cent to £744m, from £663m a year ago. Costs rose 134 per cent to £238m, taking the cost-income ratio to 45.2 per cent, slightly up on 44.8 per cent a year ago. Mortgage lending was £1.2bn, down from £1.7bn a year ago.

In spite of the drop in earnings per share, there was a larger than expected increase in the net dividend which rose 9 per cent to 3.8p (3.5p).

## Nestlé venture acquires French nutrition group

CLINTEC Nutrition, a joint venture of Nestlé and Baxter Healthcare of the US in clinical nutrition, has acquired Laboratoires Sopharga, a maker of enteral clinical nutrition products, from Roussel Uclaf, the French pharmaceutical group, writes Ian Rodger.

Terms were not revealed, but Nestlé said that Sopharga was the leading maker of enteral clinical nutrition products in France with sales in 1991 equivalent to more than Sfr65m (\$47.4m).

Clinitec was created in 1988 in the US and had sales of Sfr400m last year.

## BBA half-year results boosted by cost-cutting

By Roland Rudd in London

A COST-CUTTING exercise in all divisions at BBA, the UK component maker for the automotive, aviation and industrial markets, helped it report a 26 per cent increase in first-half pre-tax profits. For the six months to June 30, BBA's pre-tax profits increased from £26.1m to £33m (\$68m), on sales of £649.1m, up from £620.2m a year earlier.

Mr John White, managing director, said: "By reading the recession early we were able to take costs against the background of difficult economic conditions."

He warned that there was "no firm evidence of any generalised recovery" and called on the government to cut interest rates at the "earliest opportunity".

An exceptional charge of £4.8m relates to redundancy costs covering the loss of 600 jobs and the closure of loss-making plants.

Mr White said the company would concentrate its resources on its core businesses which had rare technology and a high proportion of the market, such as its friction materials operations. He said there would be no "fire sale" of non-core businesses.

However, Mr White did not rule out disposals of some of the portfolio businesses if the price was right.

The automotive division, which saw the most significant reductions in its cost base, made the strongest recovery, reporting increased pre-tax profits of £17.4m against £12.8m a year ago.

Pre-tax profits from aviation edged up to £5.8m (£5.5m). BBA said its airline clients had reported "diabolical market conditions" which would lead them to extend the life of their fleets of aircraft. Industrial activities, particularly in the US, went into recession. This helped explain the fall in the division's

pre-tax profits from £20m to £18m.

After a sharp fall in the second half of 1991, profits have recovered to the level achieved in the first half of last year.

An extraordinary item of £4.4m relates to the settlement of a claim over the value of the net assets of a disposal.

Gearing increased from around 40 per cent to about 50 per cent of shareholders' funds. The interest charge, however, fell from £4.2m to £3m because of money received from last year's £79m rights issue and lower US interest rates. The interim dividend is maintained at 2.5p. Earnings per share increased to 5p from 4.4p.

## GULF INTERNATIONAL BANK B.S.C.

1992 Interim Results

## Improved results and continued confidence

Gulf International Bank B.S.C. (GIB) reported a profit after provisions and tax of US\$ 25.6 million for the first half of 1992. This represented a 26.7 per cent increase over the profit for the comparable 1991 period and a return of 11.4 per cent on paid up capital. Total assets also rose to US\$ 6.2 billion from US\$ 5.9 billion at 31 December 1991.

Dr. Khaled Al-Fayez, Vice Chairman of the Board of Directors and Chief Executive Officer of Gulf Investment Corporation (GIC), expressed satisfaction with the results and said "the improved performance was attributable to increases in both interest and non-interest earnings combined with a decrease in expenses compared to the prior-year period." Dr. Al-Fayez also reported that a decision taken at the Annual General Assembly, held earlier in the year, the bank's capital had been converted from Bahraini Dinars to US Dollars.

Mr. Ghazi Abdul-Jawad, GIB's General Manager, noted that asset quality was very sound and capital adequacy was commendable after restructuring the bank's capital and extinguishing prior year losses at the end of last year. At the half year-end Shareholders' Equity

FINANCIAL SUMMARY (Unaudited)			
US\$ Million (Six months to 30 June)	1992	1991	
Net Interest Income	31.4	30.5	
Other Operating Income	13.1	9.3	
Gross Income	44.5	40.0	
Total Expenses	18.0	18.4	
Net Profit	26.5	20.2	
Shareholders' Equity	482.1	440.3	
Total Assets	6,176.3	5,886.9	
Per Cent			
Shareholders' Equity as a Percentage of Total Assets	8.0%	7.5%	
BIS Risk Asset Ratio	14.6%	12.8%	
Liquid Assets as a Percentage of Total Assets	48.0%	46.3%	

amounted to US\$ 492.1 million, representing 8.0 per cent of Total Assets (30 June 1991 - 7.5 per cent). In addition the BIS risk asset ratio was 14.6 per cent (30 June

1991 - 12.8 per cent) and well in excess of the 8 per cent target ratio prescribed by international regulatory authorities. Mr. Abdul-Jawad added that he was particularly encouraged by the further increase in deposits which rose to US\$ 5.6 billion at the half year-end from US\$ 5.3 billion at 31 December 1991. "This reflects the continued confidence of the bank's customers located both inside and outside the region" said Mr. Abdul-Jawad.



HEAD OFFICE: P.O. Box 1017, Manama, Bahrain. Tel: (973) 554000. Telex: 8001 DOWAL BH. Fax: (973) 123031

BRANCHES: London: 71 King William Street, London EC4N 3DF. Tel: (44) 71 815 1000 / 283 1111. Telex: 801100 GIB L. Fax: (44) 71 220 7775  
New York: 380 Madison Avenue, New York NY 10017. Tel: (212) 212 2200. Telex: 830027 GIBAN NY. Fax: (212) 212 2200  
Cayman Islands: P.O. Box 100, George Town, Cayman Islands. Tel: (345) 939 3333. Telex: 830027 GIBAN NY. Fax: (345) 939 3333

REPRESENTATIVE OFFICES: Singapore: Unit 1100, Shell Tower, 30 Raffles Place, Singapore 0104. Tel: (65) 434 1111. Telex: 28000 GIB S. Fax: (65) 224 8743.  
United Arab Emirates: P.O. Box 27051, Abu Dhabi (U.A.E.). Tel: (971) 3110000. Telex: 28000 GIB S. Fax: (971) 311 596.

All of these securities having been sold, this announcement appears as a matter of record only.

July, 1992



5,000,000 Shares

FIRST PACIFIC NETWORKS, INC.

THE COMMUNICATION UTILITY™

Common Stock

The NASDAQ symbol is FPNX

This portion of the offering was offered outside the United States and Canada by the undersigned.

1,000,000 Shares

Nomura International

Josephthal Lyon &amp; Ross

Sarasin International Securities Limited

BNP Capital Markets Limited

PaineWebber International

S. G. Warburg Securities

This portion of the offering was offered in the United States and Canada by the undersigned.

4,000,000 Shares

Josephthal Lyon &amp; Ross

Nomura Securities International, Inc.

Hambrecht &amp; Quist

Merrill Lynch &amp; Co.

PaineWebber Incorporated

Salomon Brothers Inc.

Advest, Inc.

William Blair &amp; Company

Dain Bosworth

Gruntal &amp; Co., Incorporated

Howard, Weil, Labouisse, Friedrichs

Kemper Securities, Inc.

Ladenburg, Thalmann &amp; Co. Inc.

Piper Jaffray Inc.

The Principal/Eppler, Guerin &amp; Turner, Inc.

The Robinson-Humphrey Company, Inc.

Stephens Inc.

Sutro &amp; Co. Incorporated

Brean Murray, Foster Securities Inc.

Crowell, Weedon &amp; Co.

Interstate/Johnson Lane

CI King &amp; Associates, Inc.

John G. Kinnard and Company

C. I. Lawrence Inc.

Moran &amp; Associates, Inc.

Nutmeg Securities, Ltd.

Rodman &amp; Renshaw, Inc.

Wedbush Morgan Securities

FUTURES & OPTIONS TRADERS  
FOR AN EFFICIENT AND COMPETITIVE SERVICE

BERKELEY FUTURES LTD.  
15 PARK ROAD, LONDON NW1 6XN  
OR TEL: CHARLES DE ROEPER  
ON 071-224 8489  
FAX: 071-224 8275



TAX FREE SPECULATION IN FUTURES  
To obtain your free Guide to Tax Free Speculation in Futures, call 01-224 8489 or write to IG, 15 Park Road, London NW1 6XN.



## INTERNATIONAL COMPANIES AND FINANCE

## Fresh twist in bid battle for LTV

By Martin Dickson  
in New York

THE LONG and tortuous battle for ownership of LTV's aircraft and missiles businesses took a surprising new twist yesterday when LTV announced a preliminary agreement to sell the entire operations to defense group Martin Marietta for \$440m.

However, the deal still needs the approval of the bankruptcy court which oversees LTV's assets and it is open to other bidders to present a superior

offer to the court. The latest deal came days after Loral, another US defence group, announced it wanted to buy LTV's missiles business for \$440m.

This would be in a joint bid with the Carlyle Group, a Washington investment firm, and a defence company Northrop, which would bid \$190m for the aircraft side.

The result was a package deal that was worth \$630m. As the Loral package went ahead, Thomson-CSF of France, which had previously

been partnered by the Carlyle/Northrop team, abandoned its efforts to take over the missiles business or hold a significant stake in it.

LTV said yesterday it had reached a letter of agreement with Martin Marietta because its bid was financially superior to that from the Loral/Carlyle combination.

Loral said yesterday that it remained interested in the LTV transaction and was confident there would be sufficient opportunities in the judicial process to pursue a

competing offer.

In April, Martin Marietta, in conjunction with Lockheed, made a \$385m bid for the LTV businesses, but that was rejected by the courts in favour of a \$450m offer from Thomson and Carlyle. However, Thomson eventually withdrew after running into hostility to its bid in Washington, where there was concern over the possible leaking of US defence secrets to foreign powers.

Martin Marietta's new, solo offer consists of \$385m in cash and \$44m in preferred stock.

## GE in top executive appointments

By Martin Dickson

GENERAL Electric, the US manufacturing services and technology company, yesterday underscored the increasingly global nature of its business by appointing Mr Paolo Fresco as the first non-American member of its top executive team.

Mr Fresco, a 50-year-old Italian who runs GE's international business development operations from a London base, has been appointed a vice-chairman of the group and one of four members of GE's policy-making corporate executive office.

Mr Frank Doyle, a senior vice-president of GE and a labour relations expert, was also named yesterday to the executive office and given the new title of executive vice-president.

The two existing members of the office are Mr Jack Welch, GE's chairman, and Mr Edward Hood, the company's other vice-chairman. They had been its only members since the departure from the group



Paolo Fresco: first non-American member

of two other executives over a year ago.

Mr Fresco, who became the first non-American member of the GE board in 1980, has been with the group since 1982 and has headed GE International since 1985. This arm is responsible for developing new international business alliances and

acquisitions and liaising with foreign governments.

Important deals in which he was involved include GE's acquisition of a controlling interest in Hungary's Tungsram light bulb company and its joint ventures with Britain's General Electric Company.

Mr Fresco, who spends up to 50 per cent of his time travelling worldwide, will retain his position at GE International. He said yesterday his appointment would give him further opportunity to foster globalisation at GE and bring a non-American perspective to the company's decision-making.

GE also announced yesterday that the heads of the group's 13 business units would now have the title of president and chief executive officer for their particular businesses.

Mr Welch said the change recognised the fact that all 13 businesses were the size of Fortune 500 companies and five were the size of Fortune 100 companies.

## RTC files \$400m lawsuit against Arthur Andersen

By Patrick Hargrove  
in New York

THE Resolution Trust Corporation, the government agency handling the clean-up of the US savings and loan (S&L) industry, has filed a \$400m lawsuit against Arthur Andersen.

It is alleging that negligent audit work by the big accountancy firm contributed to the collapse of Benjamin Franklin Savings Association, a large Houston-based savings and loan.

Andersen said that it would fight the case vigorously, and denied that it was negligent during its auditing of Benjamin Franklin between 1984 and 1988.

The firm said the S&L's failure, which cost US taxpayers almost \$1bn, was related to the collapse in oil prices in 1986 and other economic forces which were affecting the Texas region at the time.

The RTC, however, alleges that Andersen agreed to the use of accounting devices by Benjamin Franklin's management that kept the company's deteriorating financial condition from regulators.

While the case is pending, the RTC is reconsidering its relationship with Andersen. The accountancy firm is one of the biggest contractors for the agency.

The RTC has instructed its regional offices not to award new work to the firm until the Benjamin Franklin case is resolved.

And Arthur Andersen has been asked to discuss its existing contractual relationships (which are worth about \$38m if completed) with the government agency.

This is not the first time that Andersen has run into problems over its work in the S&L industry during the 1980s.

In March, the firm agreed to pay a total of \$30m to settle investor claims from the collapse of the Lincoln Savings & Loan Association.

Other big accountancy firms and a number of legal firms have also faced lawsuits over their role in the collapse of the savings and loan industry.

## America West set for new financing

AMERICA West Airlines, which is operating in Chapter 11 bankruptcy, has reached agreements in principle to expand its debtor-in-possession financing by at least \$45m and up to \$80m, Reuters reports from Phoenix.

In addition, America West said that it expected to obtain "additional financial benefits" of more than \$150m from aircraft providers and other

sources, including aircraft lessor GPA Group of Ireland.

America West, which operated chiefly in the south-west and west of the US, said that the new financing would "significantly enhance" its ability to file a plan of reorganisation in the near term. It would also support the airline's recently announced strategic cuts and related route realignments.

America West said that the

agreement in principle on the expanded debtor-in-possession financing was subject to conditions, including the receipt of commitments on terms acceptable to both America West and its lenders for \$10m of the minimum \$45m. It said negotiations for the commitments were in final stages.

It added that the new financing was expected to close before the end of August.

## LANCASHIRE

The FT proposes to publish this survey on October 27 1992.

It will be of particular interest to the 92% of professional investors in Europe who regularly read the FT. If you want to reach this important audience and receive a copy of the editorial synopsis and advertising rates call

Ruth Pincombe  
Tel: 061-834 9381  
Fax: 061-832 9248  
or write to her at  
Alexandre Buildings  
Queen Street  
Manchester M2 5LF

Data source: The Professional Investors Community Worldwide

**INSTINET**  
A REUTER COMPANY

is pleased to announce  
the acquisition of the assets of  
**Bomar Securities L.P.**

Bomar's products will now be marketed as  
**Instinet Analytics**

For information on Instinet Analytics, please call  
Davis Gaynes or Marc Chaikin in New York at (212) 310-9505

Instinet Corporation is a subsidiary of Reuters Holdings PLC.

All of these securities having been sold, this announcement appears as a matter of record only.

New Issues

July 1992

9,775,000 Shares



GTECH Holdings Corporation

Common Stock

1,700,000 Shares

The above shares were offered outside the United States and Canada by the undersigned.

Donaldson, Lufkin & Jenrette  
Securities Corporation

Lehman Brothers International

Morgan Stanley International

Paribas Capital Markets Group

Banque Indosuez

Cazenove &amp; Company

Daiwa Securities (Europe) Limited

NM Rothschild &amp; Sons Limited

Swiss Bank Corporation

S.G. Warburg Securities

8,075,000 Shares

The above shares were offered in the United States and Canada by the undersigned.

Donaldson, Lufkin & Jenrette  
Securities Corporation

Lehman Brothers

Morgan Stanley & Co.  
IncorporatedAlex. Brown & Sons  
Incorporated

The First Boston Corporation

Dillon, Read &amp; Co. Inc.

A.G. Edwards &amp; Sons, Inc.

Hambrecht & Quist  
IncorporatedKidder, Peabody & Co.  
Incorporated

Lazard Frères &amp; Co.

Montgomery Securities

PaineWebber Incorporated

Paribas Capital Markets Group

Prudential Securities Incorporated

Robertson, Stephens &amp; Company

Smith Barney, Harris Upham & Co.  
Incorporated

Wertheim Schroder &amp; Co. Dean Witter Reynolds Inc.

Raymond James & Associates, Inc.  
Incorporated

Advest, Inc.

Arnhold and S. Bleichroeder, Inc.

Robert W. Baird & Co.  
Incorporated

Baron Capital, Inc.

William Blair &amp; Company

Cowen &amp; Company

First Albany Corporation

First of Michigan Corporation

Gruntal &amp; Co., Incorporated

Interstate/Johnson Lane  
Corporation

Janney Montgomery Scott Inc.

Kemper Securities, Inc.

Ladenburg, Thalmann &amp; Co. Inc.

C.J. Lawrence Inc.

Legg Mason Wood Walker  
IncorporatedMcDonald & Company  
Securities, Inc.

Morgan Keegan &amp; Company, Inc.

Needham &amp; Company, Inc.

The Ohio Company

Piper Jaffray Inc.

Ragen MacKenzie  
Incorporated

The Robinson-Humphrey Company, Inc.

Roney &amp; Co.

Stephens Inc.

Tucker Anthony  
IncorporatedWheat First Butcher & Singer  
Capital Markets

Barclay Investments, Inc.

Barrett &amp; Company

Brean Murray, Foster Securities Inc.

D. A. Davidson & Co.  
Incorporated

First Southwest Company

Linsco Private Ledger Financial Services Inc.

Parker/Hunter  
Incorporated

Pennsylvania Merchant Group Ltd

The Principal/Eppley, Guerin &amp; Turner, Inc.

Seidler Amdec Securities Inc.

Van Kasper &amp; Company

William K. Woodruff & Company  
IncorporatedMortgage Securities  
(No.3) PLC

£63,000,000 Class A1  
£39,000,000 Class A2  
£15,000,000 Class A3  
£8,000,000 Class B  
Mortgage backed notes due 2035

For the interest period 31 July, 1992 to 30 October, 1992 the notes will bear interest as follows:

Class A1. 10.75% per annum  
Class A2. 10.925% per annum  
Class A3. 11.025% per annum  
Class B. 11.375% per annum  
Interest payable 30 October, 1992 will be as follows:

A1. \$2,523.54 per \$94,415 note  
A2. \$2,716.33 per \$100,000 note  
A3. \$2,741.19 per \$100,000 note  
B. \$2,828.21 per \$100,000 note

Agent: Morgan Guaranty  
Trust Company

JPMorgan

£150,000,000

HALIFAX

HALIFAX

BUILDING SOCIETY

Floating Rate Loan Notes

Due 1998 (Series A)

Interest Rate 10.35%

Interest Period 31st July 1992

30th August 1992

Interest Amount due 30th August 1992 per £100,000 Note

£10,350.00

£10,350.00

£10,350.00

£10,350.00

£10,350.00

£10,350.00

£10,350.00

£10,350.00

£10,350.00

£10,350.00

£10,350.00

£10,350.00

£10,350.00

£10,350.00

£10,350.00

£10,350.00

£10,350.00

£10,350.00

£10,350.00

£10,350.00

£10,350.00

Temple Court  
Mortgages (No. 1) PLC

£175,000,000

Mortgage Backed Floating Rate Notes 2029

The rate of interest for the period 31st July, 1992 to 30th October, 1992 has been fixed at 10.625 per cent per annum. Coupon No. 11 will therefore be payable on 30th October, 1992 at £264.17 per coupon.

S.G. Warburg &amp; Co. Ltd.

Agent Bank

Appointments  
Advertising

appears every  
Wednesday & Thursday  
Friday  
(in the international  
edition only)

## ALLIANCE LEICESTER

Alliance &amp; Leicester Building Society

£150,000,000

Floating Rate Notes due 1996

For the three months 30th July, 1992 to 30th October, 1992 the Notes will carry an interest rate of 10% per annum with an interest amount of £130.40 per £5,000 and £2,607.92 per £100,000 Bond, payable on 30th October, 1992.

Listed on the Luxembourg Stock Exchange.

Bankers' Trust Company, London Agent Bank

## Auto Funding PLC

£220,000,000

Class A Floating Rate Notes due 1996

In accordance with the provisions of the Notes, notice is hereby given that the Rate of Interest for the three month period ending 30th October, 1992 has been fixed at 11.025% per annum. The interest accruing for such three month period will be £274.12 per £10,000 Notes on 30th October, 1992 against presentation of Coupon No. 4.

Union Bank of Switzerland  
London Branch Agent Bank

31st July, 1992









Wellcome

# Wellcome plc



Sale by  
**The Wellcome Trust Limited**  
of  
**270,000,000 Ordinary Shares**

Global Co-ordinator

**Robert Fleming & Co. Limited**

United Kingdom

Cazenove & Co.

Robert Fleming & Co. Limited

S.G. Warburg Securities

Barclays de Zoete Wedd Securities Limited

N M Rothschild & Sons Limited

Smith New Court plc

UK Public Offer

Robert Fleming & Co. Limited

United States

Morgan Stanley & Co.  
Incorporated

Merrill Lynch & Co.

Alex. Brown & Sons  
Incorporated

Salomon Brothers Inc

Lehman Brothers

Robert Fleming Inc.

Goldman, Sachs & Co.

Wertheim Schroder & Co.  
Incorporated

Bear, Stearns & Co. Inc.	The First Boston Corporation	Dillon, Read & Co. Inc.	Donaldson, Lufkin & Jenrette Securities Corporation	A.G. Edwards & Sons, Inc.	Hambrecht & Quist Incorporated	Kidder, Peabody & Co. Incorporated
Kleinwort Benson North America Inc.	Lazard Frères & Co.	Montgomery Securities	J.P. Morgan Securities Inc.	PaineWebber Incorporated	Prudential Securities Incorporated	
Robertson, Stephens & Company	Smith Barney, Harris Upham & Co. Incorporated	Dean Witter Reynolds Inc.	Cowen & Company	Furman Selz Incorporated		
William Blair & Company	Dain Bosworth Incorporated	Kemper Securities, Inc.	McDonald & Company Securities, Inc.	Oppenheimer & Co., Inc.	Piper Jaffray Inc.	The Robinson-Humphrey Company, Inc.
Advest, Inc.	Arnhold and S. Bleichroeder, Inc.	Sanford C. Bernstein & Co., Inc.	First of Michigan Corporation	Interstate/Johnson Lane Corporation	Janney Montgomery Scott Inc.	Ladenburg, Thalmann & Co. Inc.
C.J. Lawrence Inc.	Neuberger & Berman	The Ohio Company	Ragen MacKenzie Incorporated	Rauscher Pierce Refanes, Inc.	Stifel, Nicolaus & Company Incorporated	Sutro & Co. Incorporated
Crowell, Weedon & Co.	Fahnestock & Co. Inc.	First Albany Corporation	First Manhattan Co.	Hayes & Griffith, Inc.	Edward D. Jones & Co.	Wedbush Morgan Securities
Mabon Securities Corp.	Parker/Hunter Incorporated	Raymond James & Associates, Inc.	Scott & Stringfellow Investment Corp.			

Japan

The Nikko Securities Co., Ltd.	The Nomura Securities Co., Ltd.
Daiwa Securities Co. Ltd.	Yamaichi Securities Company, Limited
Baring Securities (Japan) Limited	Jardine Fleming
Kankaku Securities Co., Ltd.	New Japan Securities Co., Ltd.
KOKUSAI SECURITIES CO., LTD.	Salomon Brothers Asia Limited, Tokyo Branch
	Tokyo Securities Co., Ltd.

Switzerland

Credit Suisse First Boston Limited	UBS Phillips & Drew Securities Limited
Robert Fleming AG	
Baring Brothers & Co., Limited	Julius Baer International Limited
Bank in Liechtenstein Aktiengesellschaft	Bank J. Vontobel & Co. AG
Lazard Brothers & Co., Limited	BSI - Banca della Svizzera Italiana
Pictet International Ltd	Lou Securities Limited
Swiss Cantobank Securities Limited	Lombard, Odier International Underwriters S.A.
	Sarasin International Securities Limited
	Swiss Volkabank
	Union Bancaire Privée

Germany

Dresdner Bank Aktiengesellschaft	Deutsche Bank Aktiengesellschaft
BHF-Bank	Commerzbank Aktiengesellschaft
DG BANK Deutsche Genossenschaftsbank	B. Metzler seel. Sohn & Co.
Vereins- und Westbank Aktiengesellschaft	

Rest of World

Robert Fleming & Co. Limited	
Kleinwort Benson Limited	Wood Gundy Inc.
Banca Commerciale Italiana	ABN AMRO Bank N.V.
Banque Bruxelles Lambert S.A.	Banco Santander de Negocios
Banque Internationale à Luxembourg S.A.	Burns Fry Limited
The Consulting Center for Finance and Investment	Creditanstalt-Bankverein
DEN DANSKE BANK Aktieselskab	Enskilda Securities Skandinaviska Enskilda Banken
Espirito Santo-Soc. de Investimentos, S.A. (Portugal)	GiroCredit Bank Vienna
Generale Bank	IMI Capital Markets (UK) Ltd.
Gordon Capital Corporation	INVERBAN, S.V.B., S.A.
Nesbitt Thomson Inc.	Pierson, Holding & Pierson N.V.
RBC Dominion Securities Inc.	Scotiabank
Svenska Handelsbanken, London Branch	Union Bank of Finland Ltd
Unibank	Z-Länderbank Bank Austria AG
Pacific Rim	
Jardine Fleming	
Buttle Wilson & Co. Ltd.	The Development Bank of Singapore Ltd.
J.B. Were & Son	
China Development Corporation	Coryo Securities Corporation
Rashid Hussain Securities Sdn. Bhd.	G.K. Goh (Stockbrokers) Pte. Ltd.
	Ssangyong Investment & Securities Co., Ltd.

France

Credit Lyonnais Securities	Banque Indosuez
Paribas Capital Markets Group	Robert Fleming (France) S.A.
Banque Nationale de Paris	Banque Worms
Crédit Commercial de France	Caisse des Dépôts et Consignations
	Société Générale
	Baring Brothers & Co., Limited
	Lazard Frères et Cie.

Financial Advisers to the Trust  
**Robert Fleming & Co. Limited**

Financial Advisers to the Company  
**Baring Brothers & Co., Limited**



## INTERNATIONAL CAPITAL MARKETS

## European bond investors take heart from French poll

By Richard Waters and Tracy Corrigan in London, and Patrick Harverson in New York

FRENCH voters sent a strong, positive message to European bond investors yesterday, helping to repair some of the damage done in all the major European government markets last week. According to the latest official poll, 87 per cent of voters intend to back the Maastricht proposal on economic and monetary union at the referendum on September 30.

The French bond market itself was one of the strongest gainers. Bond prices leapt by up to a point, pushing the yield on the 10-year benchmark OAT due 2003 down to 8.11 per cent, compared with 9.24 per cent at the end of last week. This helped to narrow the gap between French and German bond yields, although at around 95 basis points the differential reflects concern about the September referendum.

IN THE Italian market, the news from France put further

weight behind a strong rally which had been under way since trading opened. After the gloom of recent weeks, prompted by fears of a lira devaluation, the market was cheered by the first concrete sign that the new Italian administration may be able to achieve economic reform.

## GOVERNMENT BONDS

rather than simply talk about it. This was the deal, agreed with trade unions, to scrap the scale mobile, which automatically inflation-proofs the wages of Italian workers.

The Italian bond futures contract on Liffe gained two points on the day. Having ended last week at 91.58, the contract opened higher at 92.10 and, with over 30,000 contracts traded during the day, settled at around 93.59 by the close.

In a surprise move after the markets had closed, the Bank of Italy took the opportunity to cut its discount rate - raised twice in recent weeks to defend

the lira - to 13.25 per cent from 13.75 per cent. It also cut the Italian Lombard rate from 15.25 per cent to 14.75 per cent.

GERMAN government bonds also bounced sharply yesterday after last week's losses, thanks both to the news from France and a technical rally in the futures market. On Liffe, the bund futures contract, which had opened at 86.50, jumped to nearly 87.00 before settling at around 86.93 by the day.

However, an issue of 10-year bonds due tomorrow from the Bundespost is likely to hold back any further gains. The German postal authority is expected to raise between DM4bn and DM6bn, issuing bonds at par with a coupon of 8 per cent.

IN THE UK, the ended last week at a point higher after a weak start, as traders pushed prices higher on news of the French poll. With little domestic news on the horizon, traders were pleased to find a reason to push the market higher, after its recent weak performance.

However, the rally did not appear to spark substantial investor interest.

Comments by prime minister John Major over the weekend, which stressed his commitment to maintaining the strength of the pound, did not influence the market.

On the London International Financial Futures and Options Exchange, the gilt future, which had opened at 97.06, up 1/2 point on Friday's close.

US Treasury prices were little changed across the maturity range yesterday in the wake of a purchasing managers' report that reaffirmed the softness in the economy.

In late trading, the benchmark 30-year government bond was up 1/4 at 108 1/4, to yield 7.45 per cent, having recovered from early weakness. The 10-year note was up 1/4 at 98 1/4, yielding 4.82.

## BENCHMARK GOVERNMENT BONDS

	Coupon	Rate	Price	Change	Yield	Week	Month
UNITED STATES							
10YR	8.000	10/02	111.4489	-0.01	8.31	0.28	0.70
20YR	8.000	10/02	108.0001	-0.01	8.31	0.28	0.70
30YR	8.000	10/02	107.0000	-0.01	8.31	0.28	0.70
FRANCE							
10YR	8.000	10/02	97.0000	+0.01	8.28	0.21	0.57
20YR	8.000	10/02	97.0000	+0.01	8.28	0.21	0.57
30YR	8.000	10/02	97.0000	+0.01	8.28	0.21	0.57
GERMANY							
10YR	8.000	10/02	98.0000	+0.01	8.15	0.08	0.28
20YR	8.000	10/02	98.0000	+0.01	8.15	0.08	0.28
30YR	8.000	10/02	98.0000	+0.01	8.15	0.08	0.28
ITALY							
10YR	8.000	10/02	98.0000	+0.01	8.15	0.08	0.28
20YR	8.000	10/02	98.0000	+0.01	8.15	0.08	0.28
30YR	8.000	10/02	98.0000	+0.01	8.15	0.08	0.28
NETHERLANDS							
10YR	8.000	10/02	98.0000	+0.01	8.15	0.08	0.28
20YR	8.000	10/02	98.0000	+0.01	8.15	0.08	0.28
30YR	8.000	10/02	98.0000	+0.01	8.15	0.08	0.28
SPAIN							
10YR	8.000	10/02	98.0000	+0.01	8.15	0.08	0.28
20YR	8.000	10/02	98.0000	+0.01	8.15	0.08	0.28
30YR	8.000	10/02	98.0000	+0.01	8.15	0.08	0.28
UK GILT							
10YR	8.000	10/02	98.0000	+0.01	8.15	0.08	0.28
20YR	8.000	10/02	98.0000	+0.01	8.15	0.08	0.28
30YR	8.000	10/02	98.0000	+0.01	8.15	0.08	0.28
US TREASURY							
10YR	8.000	10/02	98.0000	+0.01	8.15	0.08	0.28
20YR	8.000	10/02	98.0000	+0.01	8.15	0.08	0.28
30YR	8.000	10/02	98.0000	+0.01	8.15	0.08	0.28

July (from 82.5 in June) provided little inspiration for investors. The figure was in line with expectations, although analysts noted the decline in the NAPM index's employment component suggested July's employment report, out on Friday, could

## Syndicated loans sector tapped by EC for Ecu499m

By Sara Webb

THE EUROPEAN Community is tapping the international syndicated loans market for the first time in a decade - and at the most tightly priced terms in recent loan history.

The Ecu499m, three-year loan, which is being arranged by Credit Lyonnais, carries a margin of 1.35 basis points - or a percentage point over the London interbank offered rate (Libor). In addition, participating banks will receive fees of 10 basis points.

As recently as last week, bankers forecast that the EC would probably have to pay a margin of between 10 and 20 basis points over Libor. Pricing in terms of margins and fees has climbed steadily over the last two to three years, reflecting bankers' concern over the cost of capital. However, as one German banker pointed out, the EC is a triple A rated borrower which is zero risk weighted for capital adequacy purposes.

The EC traditionally prefers

to borrow in the international bond markets where it can raise funds at sub-Libor rates. In this case it has had no choice but to tap the syndicated loans sector and risk paying a higher interest rate. That is because the proceeds of the loan will be used to finance imports of agricultural and medical products by the former Soviet republics. It was necessary to have the flexibility to accommodate the way the funds are going to be used, said Mr. Antonio Albert Bloch, the EC head of borrowing, yesterday.

In contrast to a bond where all the proceeds are paid at once, with a loan the borrower can draw the proceeds as and when they are required.

Bankers yesterday described the loan pricing as "tight". The facility is due to be signed on August 14 and may be drawn with effect from August 20.

The EC last tapped the international syndicated loans market in 1983 with a \$1.24bn term loan.

## IADB set to launch \$500m offer

By Tracy Corrigan

THE Inter-American Development Bank (IADB) plans to launch a \$500m offering of long-dated bonds later this month. The agency, which has not yet decided whether to tap the US Yankee or the Euro-bond market, will take bids this week from seven firms under the new syndicate structure set up in May.

The IADB has so far raised \$2.6bn of its \$5.5bn borrowing programme this financial year, which runs to the end of the calendar year. Of the agency's remaining \$2.9bn funding requirement, the IADB needs about \$800m in dollars, \$1.2bn in yen and \$800m in D-Marks.

## INTERNATIONAL BONDS

or Swiss francs, according to Mr. Carlos Santestevan, treasurer. However, the agency may borrow in other markets and swap the proceeds into the required currencies.

Elsewhere, the Eurobond market started August, traditionally its quietest month, in a subdued manner. Abbey National took advantage of stronger demand for floating-rate paper to launch a \$100m structured FRN, arranged by Merrill Lynch, with a minimum coupon of 8 per cent, and a step-up maximum coupon.

Mitsubishi Bank raised \$500m of lower tier capital through two offerings of fixed-rate subordinated bonds via a financial subsidiary.

British Gas announced plans to set up an Ecu1.5bn Euro-medium term note programme, to be signed in early autumn.

The company's first MTN programme, arranged by Swiss Bank Corporation, represents "an extension of the facilities available for funding," said Mr. Arthur Burgess, group treasurer of British Gas, the company will channel some of the funding it has previously carried out in the Eurobond market through the programme.

## ACIL faces repayments of A\$19.2m after ruling

By Tracy Corrigan in London and Bruce Jacques in Sydney

AUSTRALIAN Consolidated Investments (ACIL), the Australian investment company which owns Bell Resources, faces repayments of A\$19.2m following last week's overturning in the Court of Appeal of an earlier decision in the High Court in 1991.

The court found that the issuer's option to call a \$200m convertible Eurobond issued by Bell Resources Financial Services did not override the investors' put option, set at a higher price.

"We believe the decision removes a degree of uncertainty from the market for investors holding bonds with put options," said Mr. David Newport, an executive in the distressed debt division of Bankers Trust, which acted in conjunction with the Law Debenture Trust Corporation on behalf of bondholders. Burton, the UK retailer, has already amended the document

of a similar deal, to clarify bondholders' rights to exercise the put option, he added.

Directors of ACIL may seek leave to appeal against the decision in the House of Lords, following last week's overturning in the Court of Appeal of an earlier decision in the High Court in 1991.

ACIL directors said yesterday that, acting on legal advice, they had not provided for the A\$19.2m in the company's latest accounts. "The company is obtaining legal advice as to its legal position, including the prospects of appeal to the House of Lords," they said.

The dispute arose when bondholders last year tried to exercise the put option providing for early repayment of principal at 117.7 per cent of par value on November 13, 1991. Instead, bonds were redeemed at 103 per cent of their par value, when the company exercised its call option.

## Jakarta brokers issue warning on regulation

By William Keating in Jakarta

A REGULATION forcing brokers to complete settlement four business days after trading could lead to some securities houses being suspended, brokers in Jakarta have warned.

The regulation, which came into force yesterday, was drafted by Bursa Efek Jakarta (BEJ), the private managers of the Jakarta stock exchange. Under it, securities houses failing to settle or report to BEJ within the four-day period face suspension while settlement remains outstanding.

"The aim is to nip in the bud incipient skulduggery. It doesn't, however, take into account how long settlement can take," explained one foreign broker. Most brokers accept some delays in payment or receiving share certificates as inevitable.

The Jakarta stock exchange is not computerised and clearing relies upon Jakarta's banks.

## Futures funds industry welcomes CFTC decision

By Barbara Durr in Chicago

THE MANAGED futures funds industry has welcomed last week's decision by the Commodity Futures Trading Commission (CFTC) to ease regulations on sophisticated investors who participate in commodity pools and funds.

Known as rule 4.7, the measure exempts highly-accredited investors, or what the CFTC calls "qualified eligible participants," from the normal rigorous and time-consuming disclosure, reporting and record-keeping requirements that would apply for such investors.

The industry had long pressed for the rule change, which is comparable to the Securities and Exchange Commission's "accredited investor"

rule, applicable for securities investments exclusively regulated by the SEC. Commodities pools and funds are jointly regulated because, while they contain futures, they are securities vehicles.

The CFTC's original proposal for rule 4.7 included a stricter definition of qualified eligible participants. Individual investors had to have at least \$1m in assets, and at least \$1m in initial margin monies on deposit with futures brokers. These amounts have now been reduced to \$2m in assets and \$500,000 in margin.

For institutional investors, the original proposal required \$10m in assets. This has been reduced to \$5m. In addition, foreign investors can now be defined as qualified eligible participants even without passing the asset tests.

## NEW INTERNATIONAL BOND ISSUES

Country	Amount (\$m)	Coupon %	Price	Maturity	Yield	Bank
USA	100	8 1/4	100	2002	8 1/4	Mitsubishi Fin. Int.
USA	100	8 1/4	100	2002	8 1/4	Mitsubishi Fin. Int.
USA	100	8 1/4	100	2002	8 1/4	Mitsubishi Fin. Int.

\* Private placement. \* Convertible. \* 4th equity warrants. \* Floating rate note. \* Final terms. \* Tranche A of \$250 million. \* Callable at par from 10/1/93. \* Tranche B of \$250 million. \* Callable at par from 10/1/93. \* Coupon pays 3 years. \* Yield Libor plus 30%. \* Non-callable. \* Coupon pays 12.5% below 8% for Libor. \* Minimum interest of 8% or maximum of 8% for years 1 & 2. \* Maximum of 7% years 3 & 4 and maximum of 6% for year 5.

## MARKET STATISTICS

## RISES AND FALLS YESTERDAY

	Rises	Falls	Stale
British Funds	24	36	12
Other Fixed Interest	3	0	0
Commercial/Industrial	277	225	908
Financial & Property	68	105	261
Oil & Gas	13	13	60
Plantations	0	1	108
Minerals	3	2	72
Others	1	2	72
Total	428	510	1,765

## LONDON RECENT ISSUES

Issue	Amount (\$m)	Coupon %	Price	Maturity	Yield	Bank
USA	100	8 1/4	100	2002	8 1/4	Mitsubishi Fin. Int.
USA	100	8 1/4	100	2002	8 1/4	Mitsubishi Fin. Int.
USA	100	8 1/4	100	2002	8 1/4	Mitsubishi Fin. Int.

## FIXED INTEREST STOCKS

Issue	Amount (\$m)	Coupon %	Price	Maturity	Yield	Bank
USA	100	8 1/4	100	2002	8 1/4	Mitsubishi Fin. Int.
USA	100	8 1/4	100	2002	8 1/4	Mitsubishi Fin. Int.
USA	100	8 1/4	100	2002	8 1/4	Mitsubishi Fin. Int.

## RIGHTS OFFERS

Issue	Amount (\$m)	Coupon %	Price	Maturity	Yield	Bank
USA	100	8 1/4	100	2002	8 1/4	Mitsubishi Fin. Int.
USA	100	8 1/4	100	2002	8 1/4	Mitsubishi Fin. Int.
USA	100	8 1/4	100	2002	8 1/4	Mitsubishi Fin. Int.

## TRADITIONAL OPTIONS

Issue	Amount (\$m)	Coupon %	Price	Maturity	Yield	Bank
USA	100	8 1/4	100	2002	8 1/4	Mitsubishi Fin. Int.
USA	100	8 1/4	100	2002	8 1/4	Mitsubishi Fin. Int.
USA	100	8 1/4	100	2002	8 1/4	Mitsubishi Fin. Int.

## LIFE EQUITY OPTIONS

Issue	Amount (\$m)	Coupon %	Price	Maturity	Yield	Bank
USA	100	8 1/4	100	2002	8 1/4	Mitsubishi Fin. Int.
USA	100	8 1/4	100	2002	8 1/4	Mitsubishi Fin. Int.
USA	100	8 1/4	100	2002	8 1/4	Mitsubishi Fin. Int.

## TRADITIONAL OPTION 3-month call rates

Issue	Amount (\$m)	Coupon %	Price	Maturity	Yield	Bank
USA	100	8 1/4	100	2002	8 1/4	Mitsubishi Fin. Int.
USA	100	8 1/4	100	2002	8 1/4	Mitsubishi Fin. Int.
USA	100	8 1/4	100	2002	8 1/4	Mitsubishi Fin. Int.



## Trencherwood swaps debt for equity as losses mount

By Angus Foster

TRENCHERWOOD, the USM-quoted housebuilder, has reached agreement in principle for its bankers to take a "substantial" stake in the company, in return for conversion of debt and unsecured liabilities.

Details of the debt for equity swap are likely to be finalised in the next few weeks and are subject to legal and other conditions, the company said. The conversion will secure borrowing facilities until the end of 1997. Midland, Royal Bank of Scotland and Schroders are Trencherwood's main bankers.

"We're very pleased, especially when many other property companies have fallen by the wayside," said Mr Richard

Brooks, finance director.

Trencherwood yesterday reported mounting pre-tax losses of £87.7m in the year to October 31, from £29.3m in the previous period. Mr John Norgate, chairman, said conditions had deteriorated during the year and he expected a further decline in volumes this time.

Operating losses were contained to £863,000 (£2.92m) thanks to cost-cutting. But exceptional items increased to £29.9m (£23.3m). These included about £15m of provisions against land holdings and work-in-progress, restructuring costs of about £2.5m and £1.2m of provisions against losses in the company's property joint ventures.

Turnover fell to £28.8m

(£38.3m). A total of 306 units (328) were sold during the year at an average price of £76,000. Prices were not comparable with the last year because the types of unit sold differed. Pressure on margins led to a £2.6m loss before exceptional items in the residential division.

The company continued to reduce its exposure to off-balance sheet associated companies. Off-balance sheet borrowings fell to £30.2m (£26.9m). But increased borrowings for land purchases lifted total bank borrowings to £45m (£40.6m). The loss for the year of £24.3m resulted in negative net assets of £12.5m (net assets £21.5m).

No dividend is recommended. Losses per share increased to 137.01p (102.35p).

## Bankers grant new standstill agreement to Control Securities

By Maggie Urry

CONTROL SECURITIES, the property, hotels, brewing and pubs group which is in refinancing talks with its bankers, has come to a new standstill agreement with them.

It also warned that its accounts would show substantial provisions against assets and that results for the year to end March 1992 would be "significantly worse" than for 1990-91. The new standstill agreement will run until September 30. The original standstill was signed at the end of June and was due to run out on July 24. It was then extended until the end of July.

The aim of the standstill is to

give the company time to put a business strategy into place and to stabilise its financial position. Meanwhile, the banks are providing facilities to allow the group to continue trading.

Control Securities was built up by Mr Nazam Virani, who is facing charges of fraud relating to the collapsed Bank of Credit and Commerce International. Mr Virani stood down as chairman and chief executive after he was freed on bail in April.

The group has delayed payment of interest on one of its two Swiss franc bonds and is calling a meeting of bondholders of both its issues, totalling Sfr 200m (£78.5m), on August 17. Resolutions will be

put to bondholders to defer interest payments until October 12. Another meeting will be held on or before that date.

The company said yesterday that results for the year to end March had not been finalised but would be "significantly worse than those for the previous year". Those showed a pre-tax loss of £2.3m, after a £3.8m provision covering the company's exposure to BCCI. Also the accounts will show "substantial provisions against the values of the group's assets".

Control's shares have been suspended since October at 18p when the Serious Fraud Office raided its offices in connection with BCCI investigations.

## Mercury challenges BT's claims

By Michio Nakamoto

MERCURY Communications yesterday challenged claims made by British Telecommunications that it was winning back substantial numbers of business customers from its main competitor.

Mr Peter Howell-Davies, deputy chief executive of Mercury, said that BT had won back only about 18m of business from Mercury, compared with an increase in Mercury's order book of £300m in the past financial year. A comparison of the figures indicated that "BT's impact has been negligible," he said.

Mercury was responding to a

claim made by BT at its annual general meeting on July 30 that it was succeeding in winning back business customers from Mercury and leading off competition from cable TV companies.

Mercury said it had arrived at the figure of £8m from its own market sources. The figure did not mean that BT has won back a number of business customers altogether but represented just 46 customers at an average of £130,000 per customer, Mercury said.

As business customers tended to use BT for local calls and Mercury for long-distance and international calls, the business that has been won

back by BT could represent a slight shift in balance between the use of the respective services.

Mercury added that it was continuing to increase its customer base at a rate of about 19,000 a month. Of these some 12,000 were for its own residential services and about 7,000 were for services provided in partnership with cable TV operators.

Mercury provides services in partnership with cable operators in areas including Birmingham, Portsmouth, Bristol and London. These services provide users with competitive rates for long-distance, international and local calls.

## £52m loss on US sale for Reckitt & Colman

By Maggie Urry

RECKITT & Colman, the household products, toiletries and food group, is taking a £52m extraordinary loss on the sale of its US spices and seasonings business.

The sale price is \$75.1m (£39.1m), but there will be an extraordinary loss of \$100m in the current year's accounts. The buyer is Burns Philp Food, a subsidiary of Burns Philp, an Australian food and hardware company.

The extraordinary item comprises the loss on disposal of assets, valued at \$95.5m, good-will written off, \$50m of closure and redundancy costs while \$18m represents a trading loss made since the sale decision was made in January.

However, the sale will add \$40m to Reckitt's cash flow in the current year. The proceeds will go to reducing borrowings, which were £238.3m at the end of 1991.

In January Reckitt said the business, part of the Durkee-French subsidiary, was being sold for \$80m, but since then trading conditions have worsened and the price reduced.

Reckitt bought Durkee Famous Foods from Hanson, the Anglo-American conglomerate, in 1986 for \$140m. The spice and seasoning part of Durkee has found the market increasingly competitive.

In 1991 the business being sold made a pre-tax profit of \$2.2m. Reckitt said the sale was part of its strategy of disposing of non-core assets where a price could be obtained that would not dilute earnings.

The group is also negotiating the sale of its Canadian spice and seasoning subsidiary to Burns Philp, although that deal has not yet been completed. The price stated in January was \$8m.

## Pepe postpones pref payment

Pepe, the jeans designer and distributor, has postponed for three months the payment of its preference dividend while it comes to a decision over the issuing of new equity.

In June it warned that the ordinary dividend would be passed.

Mr Joe Slayner, chief executive, said that he expected the company to decide within three months which route it would use to issue more shares.

Even after its refinancing debt of almost £330m will remain

## David James adds Lep to list of rescues

By Jane Fuller

FOR Mr David James, Lep Group represents the fifth company rescue that he has been involved in over the past eight years and it entails the biggest bank debt.

Even after the refinancing, the freight forwarding and security group will have bank borrowings of nearly £330m. This is about 4½ times the resuscitated figure for shareholders' funds of £71.2m - an improvement from the December deficit of £108.8m.

Mr James said the banks had taken a huge hit in swapping £180m of debt for equity. "They also have to take a chance on the interest [on £145.7m] being rolled up for three years and carry the consequences of providing working capital."

Part of the agreement involves the banks releasing £20m of asset-sale proceeds as well as providing a new £12m working capital facility. Some compensation will come from their share of the £10.3m allowed for fees and expenses.

Mr James's refrain, which will be familiar to shareholders in Davies & Newman, owner of the Dan-Air airline, is that there is no alternative short of receivership.

"Nearly 12,000 people would lose their jobs, the pension fund would have remained



David James: his fifth company rescue in eight years

severely deprived, about £40m of trade creditors would have lost everything, the shareholders would have lost whatever recovery value there now is."

What remains is a company with between £1.3bn and £1.4bn of turnover, the bulk of it in freight forwarding. Last year's operating profit came to £26.5m (£55.6m), most of it contributed by National Guardian Corporation, the US security arm.

With this year's trading no better than last, the amount of debt to be serviced has been reduced to £182m. The restructuring, negotiated with about 25 banks, covers the rest of the £207.8m net debt. Altogether, Mr James said, Lep had "42 separate relationships with 34 banks".

As for the future, the alternative is that the group slides down to the freight forwarding and NGC subsidiaries,

or that these two parts are spun off as independent entities. Sorting out the twin core businesses incurred nearly £29m of exceptional costs.

The price of withdrawing from non-core businesses was reflected in £172.1m of extraordinary charges. Apart from £103.3m of property write-downs, the interests to be ditched include bearings distribution and a Tanzanian gold mining project.

In spite of the scale of Lep's debts, Mr James said that the salvage operations had been more difficult at both Eagle Trust, a mini-conglomerate where the repercussions have included criminal proceedings, and at Central & Sheerwood, another industrial holding company.

The recent weakness of Davies & Newman's share price - it closed at 16p last night compared with the deeply discounted rescue rights price of 50p - shows how the initial refinancing cannot solve all the problems. Mr James is still involved with D&N, which has had to warn that this year's pre-tax profits will not come near the £20m forecast at the time of the rescue.

Lep will hold an extraordinary general meeting to discuss its restructuring plan in London on August 24.

## TDG static at £16.8m but shares rise 12p

By Peggy Hollinger

LOWER interest charges fuelled a marginal increase in interim profits at Transport Development Group, Britain's second largest haulier, from £16.5m to £16.8m.

The pre-tax result was struck on turnover 9 per cent down to £267.2m for the six months to June 30. Operating profits were flat at £18.8m.

The interim dividend is being maintained at 3p, while earnings per share rose from 7.46p to 7.51p.

Sir James Duncan, who retires as chairman at the end of this month, said the results were "alright", neither sparkling nor disastrous. "The balance sheet is very strong and that is the way we would want it."

A strict control of cash had helped the company cut net debt from £63.7m to £40.4m. As a result, interest charges fell by £300,000 to £2.1m.

Sir James said recession continued to affect the group as severely as ever. "We keep looking for the sunrise but it is not happening yet," he said. France, in particular, had suffered from economic downturn.

The French business incurred a loss of £537,000 in the first half, compared with a profit of £1.8m. Management had been changed and steps to reduce losses, such as depot closures, were being taken.

Holland marginally increased profits from £2.3m to £2.5m, despite intense competition.

In the UK, overall trading profits were 10 per cent ahead at £14.2m with solid increases recorded by hire, storage and transport. Redundancy costs depressed profits of the UK distribution business from £4.8m to £4.3m. Redundancy costs for the group overall came to £1.6m (£800,000).

Willie Freight Lines, the US business earmarked for disposal, incurred pre-tax losses of £1.1m in the first half. These were

set off against the £15m extraordinary provision made at the end of last year. Sir James said the company was in negotiations over a sale with two potential purchasers.

COMMENT  
Sir James's modest success was applauded by the market, least night with the shares rising from 216p to 228p. The restructuring begun by the company before the recession appears to be feeding through. However, there's more work to do, with the biggest question mark hanging over Willie Freight. France, too, will take time to sort out. Yet the main problem for TDG remains the global economy and there is not a lot that Sir James can do there. Forecasts are for 140m pre-tax this year. Although the multiple of 12.7 times may look undemanding, the shares are not likely to take off until some sign of recovery becomes apparent. Better to hold and wait for the upturn.

## Silvermines sells ballscrews arm to THK of Japan

By Andrew Baxter

SILVERMINES, the Dublin-based engineering, electrical and property company, is selling its Coventry-based PGM Ballscrews business to THK of Japan for £3.6m.

The deal will give THK its first manufacturing base outside Japan and greater access to the European ballscrew market ahead of the European Single Market reforms.

Ballscrews are an essential component of machine tools and other industrial machinery, converting rotary motion into linear motion and vice-versa.

PGM is the second largest UK ballscrew manufacturer with annual sales of £2.5m and 104 employees.

The deal is one of few struck recently by Japanese companies in the European machinery sector. They either prefer greenfield expansion or are deterred by current market conditions. It is also one of few moves by machine tool manufacturers to emulate Japanese machine tool builders by manufacturing in Europe.

Founded in 1971 by the Terauchi family, THK is the Japanese market leader in linear motion systems with a 75 per cent market share. Still family controlled, it is quoted over-the-counter in Japan and had sales last year of ¥780bn (£239m) and 2,636 employees.

THK said it intended to maintain the existing PGM management and employee structure but may strengthen both with support from Japan. The deal includes PGM's 96.5 per cent subsidiary PGM Ballscrews Ireland.

## London Pacific boosts Govett profits to \$29.7m

By Philip Coggan, Personal Finance Editor

GOVETT, the financial services group, recorded a 14 per cent increase in interim pre-tax profits to \$29.7m (£15.5m) for the six months to June 30.

More than half the group's operating profits came from London Pacific, a US insurance company which sells annuities through the intermediary market. London Pacific's first half profits were 37.6 per cent higher at \$14.5m.

In the UK, the group is best known for its investment management activities, particularly its John Govett subsidiary.

Group funds under management increased from \$5.2bn to \$5.8bn, with the bulk of the increase coming from client inflows, in particular US mutual funds and specialised futures funds in the UK.

Investment management fees rose nearly 30 per cent to \$18.1m, helped by the acquisition of US fund manager ACL, now renamed Govett Institutional Investment.

However, the acquisition and

## Production problems hold back Clarke Foods

By Peggy Hollinger

PRODUCTION problems held back Clarke Foods, Britain's second biggest ice-cream manufacturer and owner of Lyons Maid, which yesterday reported pre-tax profits of £168,000 for the six months to May 2.

Mr Henry Clarke, chairman, said equipment problems meant the company did not have enough product available at the beginning of the summer.

"That delay was a very bad thing," he said, "... but it is behind us now."

The half year results compared with profits last time of £384,000. However, 1991 profits were boosted by £205,000 in interest income compared with charges this time of £108,000.

The interim dividend is being maintained at 0.75p from earnings of 0.06p (1.65p). Sales surged from £1.8m to £10.4m, due to a full contribution from Hillsdown and two months from Lyons Maid.

## Benson resumes dividends

BENSON GROUP, the acquisitive Midlands-based engineer, returned profits of £215,000 pre-tax for the year to May 31, a strong improvement over the previous year's £145,000.

Turnover rose from £10.2m to £12.56m and margins at the trading level more than doubled to 8.8 per cent. As forecasted in February, dividends are being restored via a 0.1p payment.

The five acquisitions made during the year have been fully integrated and each made a positive contribution to profits. One-third of group products were now sold overseas.

Year-end gearing was reduced from 70 per cent to 30 per cent.

## New chairman for Reflex

Reflex Investments, the Dublin-quoted computer company, swung from profits of £25.5m to losses of £23.44m (£2.28m) pre-tax for the year to April 30.

The result, struck after an exceptional provision of £1.93m against stocks, was returned on the back of a £23.7m reduction in turnover to £12.5m.

Mr Tony Kilduff, a 5.8 per cent shareholder in the company, is to increase his interest in Reflex to 29.99 per cent and become chairman after the annual meeting in September.

He will purchase 780,340 new ordinary shares from the company at 113.5p to raise his holding to 9.5 per cent of the enlarged capital and will then make a tender offer to all shareholders to purchase up to 3.44m shares to bring his holding up to the 29.99 per cent level.

Mr James Flavin, the current chairman, will step down from the board following Mr Kilduff's appointment.

## Cornwell Parker £2.75m acquisition

Cornwell Parker, the furniture and fabrics group, is to pay Osborne & Little £2.75m for Fardis, the French furnishing fabrics company.

The cash amount paid will be reduced by a sum, to be determined on completion, of approximately £1.7m in respect of bank debts assumed by Cornwell Parker.

The move is part of Cornwell Parker's strategy of developing a stronger presence for its fabric brands in mainland Europe.

Alvis, the engineering group, has sold its 34 per cent stake in Sopleim, the French electro-op

tics company to Société de Fabrication d'Instruments de Mesure, which holds the other 66 per cent, for £4.1m.

The proceeds will be used in expanding Alvis's specialist engineering interests both organically and by acquisition.

## William Jackson incurs £1.01m loss

Exceptional charges of £1.19m left William Jackson & Son with losses of £1.01m in the year to April 25, against profits of £228m. Turnover fell from £207.5m to £205.5m.

Losses per share for this company, which trades as a baker, meat products manufacturer and discount stores operator, came out at 31.4p, against earnings of 77.5p.

## Associated Energy Services in the black

Associated Energy Services, the construction, household goods and industrial equipment group, announced a return to profit for the first time in five years.

The company, which has recently undergone a restructuring and has changed its year end, reported a pre-tax profit of £27,000 for the seven months to the end of June.

The result was struck on turnover of £2m and represents a marked improvement on the loss of £1.01m from turnover of £2.5m reported for the year to November 30 1991.

After a tax charge of £81,000 (nil) and extraordinary costs of £77,000 (£220,000) the attributable loss was £111,000 (£1.41m). Losses per share were 0.94p (3.58p).

## TR Pacific Trust asset value rises

Net asset value per share of the TR Pacific Investment Trust rose from 92.65p to 95.5p over the 12 months to June 30. Available revenue for the half year to June 30, however, fell from £44,000 to £328,000, equal to earnings per share of 0.49p (0.683p).

## Thornton Asian net assets improve

The net asset value per ordinary share of Thornton Asian Emerging Markets Investment Trust stood at 74.1p at the half year ended June 30.

This compares with 68.9p at the December 31 year end and with 81.9p a year previously. Gross income rose from £1.9m to £1.7m. Earnings per share improved from 0.36p to 0.60p.

## Novalal loss up and accounts qualified

Novalal, the USM-quoted plant propagation and biotechnology company, incurred a loss of £3.45m for the seventeen months ended December 31 and had its accounts qualified.

The company's year-end has been changed. For the eight months to July 31 1990 the loss was £1.35m (£1.41m).

The auditors, Ernst and Young, said the accounts for the 17 months had been prepared on a going concern basis which depended on the successful outcome of actions being taken to secure the viability of the group.

These included continuing cost reduction, successful completion of trial projects, establishing a business in Greece and raising mortgage finance.

The loss for the 17 months was struck after taking account of exceptional provisions of £1.1m (0.2m). Losses per share emerged at 14.8p (8.5p).

## Coats Viyella raises £26m in sales

Coats Viyella has raised a further £26m from sales following its acquisition of Tootal in May last year.

It has sold Tootal's Batik interests to Cha Group of companies, based in Hong Kong, and two properties in Glasgow. It is part of Coats's cash release programme and its strategy of focusing on core businesses.

## Scottish National revenue at £11.3m

In the nine months to June 30 The Scottish National Trust reported net revenue of £11.3m, against £10.8m for earnings per share of £.44p, compared with £1.5p. A third interim dividend of 2.1p makes an unchanged 5.5p for the period.

## Aviva Petroleum calls for \$6.5m

Aviva Petroleum, the Dallas-based oil and gas company which is quoted on the London Stock Exchange, is raising

\$6.5m (£3.4m) through a 2-for-1 underwritten rights issue at 27p a share. Its shares closed unchanged at 36p.

The move is the second stage of a restructuring which began with the sale of Aviva Canada and the conversion of 1992 interest on its loan from the Royal Bank of Scotland into shares at 58p per share.

## Betterware sales increase by 50%

Betterware, the household goods retailer which specialises in direct home shopping, has announced a 50 per cent increase in trading during the first quarter of the current financial year.

The company is to invest £9m on a new distribution centre to cope with the increase in demand.

To assist marketability of its shares, Betterware has obtained shareholder approval for a 3-for-2 scrip issue.

## DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corres - dividend	Total year	Total last year
Abbey National	3.8	Oct 12	3.5	-	10.5
B&A	2.25	Nov 13	2.25	-	7.5
Benson	0.1	Oct 1	nil	0.1	nil
Clarke Foods	0.75	Sept 14	0.75	-	2.35
Govett	9.5	Aug 24	9.5	-	22
Lep	nil	nil	5	nil	7
Lifebeat	1.8	Nov 27	1.5	-	4
Scottish Nat Trust	2.1	Oct 7	2.1	5.8	8.95
TDG	3	Nov 6	3	-	9.5
Trencherwood	nil	nil	nil	nil	0.5

Dividends shown pence per share net except where otherwise stated. (N) increased capital. (USM) stock. \*Gross and cents per share. †For nine months.







# Sterling helps uncertain equity sector

By Terry Byland,  
UK Stock Market Editor

**CONCERN** in the London stock market over sterling was eased yesterday, by commitment to a strong pound from Mr John Major, the UK prime minister, and by news of a pro-Maastricht opinion poll in France. An improvement in the sterling rate against the D-Mark in late dealings found a "very" response from UK share prices, although trading volume remained relatively light.

The London stock market closed with the FT-SE 100 index around the 2,400 mark in early dealings and it was a lead from the stock futures index sector which first took the Footsie firmly above this benchmark

level. But the overall mood of the market remained cautious as economic commentators continued to call for government action to promote recovery from the economic setback. The market was only about 10 points higher than the previous day.

The final reading showed the FT-SE 100 at 2,420.2, a gain on the day of 20.6 points. But initial trading, when neither the Nikkei-Average, Friday's Dow reading, nor the London encouragement, saw the Footsie down by more than 10 points at 2,389.

The seemingly unending flow of woe in the City continued yesterday when Oxford Economic Forecasting, the

Account Dealing Dates			
First Dealing	Aug 10	Aug 24	
Optim Declaration	Aug 10	Aug 24	
Last Dealing	Aug 20	Aug 31	
Optim Declaration	Aug 20	Aug 31	
Account Day	Aug 27	Aug 31	Aug 14

Confederation of British Industry and the National Westminster Bank all bore witness to the depth of the recession and in some cases urged changes in official policy.

Nor was the mood lightened when Abbey National, one of Britain's largest mortgage lenders, called for tax help for prospective house buyers after disclosing a 12 per cent drop in interim profits.

The late improvement in sterling helped calm fears in the market over the near term outlook for domestic interest rates. While hopes of further cuts in UK base rates have receded significantly since the rise in money rates in Germany, London remains fearful that a full-on sterling crisis could force UK rates higher.

Traders were wary of putting too much faith in yesterday's firmness in the London stock market. Turnover remained unexciting, with Sea volume at only 328.6m shares, Friday's 378.1m shares reflected only 332.6m in terms of customer or retail business, no great figure by standards of market profitability.

Among interest-related stocks to benefit directly from

the firmer tone of sterling, the high street retailers stood out well. But construction stocks continued to suffer from doubts over the continued profitability of the industry.

Equity strategists agreed that the market outlook for this week will be dominated by prospects for the interim trading report from British Petroleum on Thursday and in particular, by the decision taken on the dividend payment by the board of the blue chip oil company. Shares in BP opened sharply lower yesterday after the UK press had commented harshly on the outlook, suggesting that the impending trading statement might be taken by the board as an opportunity to write off costs in less profitable areas.

## Cautious comments hit BOC

**INDUSTRIAL** gas group BOC fell sharply in early trading as analysts made cautious comments ahead of the nine-month results, due on Thursday. The shares were down 14 at one stage before recovering with the market to close at 403.8p.

Some of the weakness was prompted by UBS Phillips & Drew, which recently cut its full-year forecast to \$345m, believed to be at the bottom of the analysts' range.

Mr Alexander Nisbet of UBS said he was predicting \$35m for the quarter and \$248m for the nine months. The figures are below the market consensus and Mr Nisbet has based his caution on recent figures from BOC competitor Air Products, problems in BOC's vacuum business and the adverse effect of a weaker dollar.

Also, BZW reduced its 1993 production by \$15m to \$200m and turned seller, arguing that BOC's anaesthetic gas arm will be hit when its key product comes off patent early next year.

**Vodafone** firmers. Telecommunications Vodafone gained 5 to 318p in response to positive recommendations from several brokers. Most focused on the fact that the shares have been under pressure for the past two months, with the threat of increased price competition from rival Celnet, and now look good value. Analysts also expect good trading news from this Friday's report.

Mr Martin Mabbutt at Nomura, moving from a hold to a buy, said: "While Vodafone may suffer some loss of revenue from Celnet's price plan, it is operating in a long-term growth market and the shares look attractive. We believe they have a 15 per cent relative upside over the next 12 months."

Hoare Govett also likes Vodafone, but only on a short-term view, believing that the threat from Celnet and the new Personal Communications Network will adversely affect revenues.

**GEC report**. The weekend publication of defence group GEC's annual report provided the spark for the day's trading in the stock. Analysts were particularly cheered by the increase in the

pension surplus revealed in the report, and by accountancy practices at the company.

Mr Jim Ross at Hoare Govett, who remains positive on the stock, said: "The conservative nature of the accountancy report reinforces the group's defensive attractions."

The shares responded by firming 4 to 226p in brisk trade of 6.4m shares.

British Gas continued Friday's slide, ending 4 lower at 336p, following the refusal to the Metropolitan and Mersey Commission of access to the gas transportation and storage system operated by the group.

However, Mr Fergus Macleod of County NatWest said he expected the 8 per cent yield on the shares "to provide the backdrop fairly soon", and Mr Keith Morris of Carr Kitcat & Aitken said he was a "gentle buyer" at these levels.

Weekend press reports that BP might announce restructuring charges of up to £1bn when it announces second quarter results on Thursday sent the stock into an early spin. However, the shares were given a lift from the US as dealers repeated that the company was advising clients to switch out of Mobil and into BP.

The positive US comment helped the stock to rally comfortably to close unchanged on the day at 213.4p.

Insurers bounced in a thin market, recovering from recent underperformance. General Accident was the biggest

gainer, climbing 19 to 360p.

Insurance analysts said some investors were buying on a view that the group would hold its dividend when it announces interim results next Tuesday. Fears about a dividend cut have dogged the shares in recent weeks.

Commercial Union appreciated 13 to 442p and Legal & General 2 to 340p. The rises were helped by buying to cover short positions.

Tired old suggestions, repeated in the weekend press, that MEPC had been talking to Hong Kong Land added spice to an otherwise dull property sector. The shares advanced 10 to 246p.

Interim results below the range of analysts' forecasts sent Abbey National down 3% to 258p.

Stock overhauling the market was said to have held back Laporte. The specialty chemicals group fell 7 to 514p.

Weekend press comment following last week's reorganisation announcement helped ICI move forward 9 to 117p.

Following worries last week over quality and metering, water shares bounced back. Among the main movers were Thames Water, North West Thames and the Thames Valley. The latter jumped 12 to 414p, Yorkshire 12 to 434p and Anglian 8 to 392p.

More big volume in Grand Metropolitan saw the shares advance 12 to 422p with 8.2m traded as its recent poor run was considered overdue. US

Investors were reported to be prominent among the buyers. The shares were also helped by a push from securities house Smith New Court, which also recommended Guinness, 9 higher at 544p.

Technical positions helped selected food manufacturers. Short positions in Cadbury-Schweppes, up 6 at 481p, and Unilever, ahead 14 at 956p, assisted the shares as market-makers chased stock. The latter was also helped by anticipa-

tion that good second quarter figures will be reported this Friday.

Reports that a building company belonging to a director of hotel group Savoy had gone into receivership had a predictable effect on the share price. Savoy dropped 30 to 500p as market worries over the group's exposure, later proved unfounded, to the failed builder depressed the stock.

Marketing services group WPP improved 7 to 47p after major shareholder Fidelity Investments said it would support the advertising group's restructuring.

Takeover hopes lifted Mirror Group Newspapers a further 5 to 76p. The hopes were buoyed by Friday's news that Dublin-based Independent Newspapers Holdings had acquired a 1.3 per cent equity stake.

Hopes of a tank order at Vickers helped the shares firm 4 to 125p. TI Group shares were wanted ahead of today's interim statement, gaining 6 to 314p.

Turnover in business services group BET rose to 14m shares after two large trades went through the market. The stock finished unchanged at 111p.

**MARKET REPORTERS:**  
Peter John,  
Joel Kibazo,  
Christopher Price.

© Other market statistics, Page 20

## FINANCIAL TIMES STOCK INDICES

	Aug 31	Jul 31	Jul 30	Jul 29	Jul 28	Jul 27	Jul 26	Jul 25	Jul 24	Jul 23	Jul 22	Jul 21	Jul 20	Jul 19	Jul 18	Jul 17	Jul 16	Jul 15	Jul 14	Jul 13	Jul 12	Jul 11	Jul 10	Jul 9	Jul 8	Jul 7	Jul 6	Jul 5	Jul 4	Jul 3	Jul 2	Jul 1	Jun 30	Jun 29	Jun 28	Jun 27	Jun 26	Jun 25	Jun 24	Jun 23	Jun 22	Jun 21	Jun 20	Jun 19	Jun 18	Jun 17	Jun 16	Jun 15	Jun 14	Jun 13	Jun 12	Jun 11	Jun 10	Jun 9	Jun 8	Jun 7	Jun 6	Jun 5	Jun 4	Jun 3	Jun 2	Jun 1	May 31	May 30	May 29	May 28	May 27	May 26	May 25	May 24	May 23	May 22	May 21	May 20	May 19	May 18	May 17	May 16	May 15	May 14	May 13	May 12	May 11	May 10	May 9	May 8	May 7	May 6	May 5	May 4	May 3	May 2	May 1	Apr 30	Apr 29	Apr 28	Apr 27	Apr 26	Apr 25	Apr 24	Apr 23	Apr 22	Apr 21	Apr 20	Apr 19	Apr 18	Apr 17	Apr 16	Apr 15	Apr 14	Apr 13	Apr 12	Apr 11	Apr 10	Apr 9	Apr 8	Apr 7	Apr 6	Apr 5	Apr 4	Apr 3	Apr 2	Apr 1	Mar 31	Mar 30	Mar 29	Mar 28	Mar 27	Mar 26	Mar 25	Mar 24	Mar 23	Mar 22	Mar 21	Mar 20	Mar 19	Mar 18	Mar 17	Mar 16	Mar 15	Mar 14	Mar 13	Mar 12	Mar 11	Mar 10	Mar 9	Mar 8	Mar 7	Mar 6	Mar 5	Mar 4	Mar 3	Mar 2	Mar 1	Feb 29	Feb 28	Feb 27	Feb 26	Feb 25	Feb 24	Feb 23	Feb 22	Feb 21	Feb 20	Feb 19	Feb 18	Feb 17	Feb 16	Feb 15	Feb 14	Feb 13	Feb 12	Feb 11	Feb 10	Feb 9	Feb 8	Feb 7	Feb 6	Feb 5	Feb 4	Feb 3	Feb 2	Feb 1	Jan 31	Jan 30	Jan 29	Jan 28	Jan 27	Jan 26	Jan 25	Jan 24	Jan 23	Jan 22	Jan 21	Jan 20	Jan 19	Jan 18	Jan 17	Jan 16	Jan 15	Jan 14	Jan 13	Jan 12	Jan 11	Jan 10	Jan 9	Jan 8	Jan 7	Jan 6	Jan 5	Jan 4	Jan 3	Jan 2	Jan 1	Dec 31	Dec 30	Dec 29	Dec 28	Dec 27	Dec 26	Dec 25	Dec 24	Dec 23	Dec 22	Dec 21	Dec 20	Dec 19	Dec 18	Dec 17	Dec 16	Dec 15	Dec 14	Dec 13	Dec 12	Dec 11	Dec 10	Dec 9	Dec 8	Dec 7	Dec 6	Dec 5	Dec 4	Dec 3	Dec 2	Dec 1	Nov 30	Nov 29	Nov 28	Nov 27	Nov 26	Nov 25	Nov 24	Nov 23	Nov 22	Nov 21	Nov 20	Nov 19	Nov 18	Nov 17	Nov 16	Nov 15	Nov 14	Nov 13	Nov 12	Nov 11	Nov 10	Nov 9	Nov 8	Nov 7	Nov 6	Nov 5	Nov 4	Nov 3	Nov 2	Nov 1	Oct 31	Oct 30	Oct 29	Oct 28	Oct 27	Oct 26	Oct 25	Oct 24	Oct 23	Oct 22	Oct 21	Oct 20	Oct 19	Oct 18	Oct 17	Oct 16	Oct 15	Oct 14	Oct 13	Oct 12	Oct 11	Oct 10	Oct 9	Oct 8	Oct 7	Oct 6	Oct 5	Oct 4	Oct 3	Oct 2	Oct 1	Sep 30	Sep 29	Sep 28	Sep 27	Sep 26	Sep 25	Sep 24	Sep 23	Sep 22	Sep 21	Sep 20	Sep 19	Sep 18	Sep 17	Sep 16	Sep 15	Sep 14	Sep 13	Sep 12	Sep 11	Sep 10	Sep 9	Sep 8	Sep 7	Sep 6	Sep 5	Sep 4	Sep 3	Sep 2	Sep 1	Aug 31	Aug 30	Aug 29	Aug 28	Aug 27	Aug 26	Aug 25	Aug 24	Aug 23	Aug 22	Aug 21	Aug 20	Aug 19	Aug 18	Aug 17	Aug 16	Aug 15	Aug 14	Aug 13	Aug 12	Aug 11	Aug 10	Aug 9	Aug 8	Aug 7	Aug 6	Aug 5	Aug 4	Aug 3	Aug 2	Aug 1	Jul 31	Jul 30	Jul 29	Jul 28	Jul 27	Jul 26	Jul 25	Jul 24	Jul 23	Jul 22	Jul 21	Jul 20	Jul 19	Jul 18	Jul 17	Jul 16	Jul 15	Jul 14	Jul 13	Jul 12	Jul 11	Jul 10	Jul 9	Jul 8	Jul 7	Jul 6	Jul 5	Jul 4	Jul 3	Jul 2	Jul 1	Jun 30	Jun 29	Jun 28	Jun 27	Jun 26	Jun 25	Jun 24	Jun 23	Jun 22	Jun 21	Jun 20	Jun 19	Jun 18	Jun 17	Jun 16	Jun 15	Jun 14	Jun 13	Jun 12	Jun 11	Jun 10	Jun 9	Jun 8	Jun 7	Jun 6	Jun 5	Jun 4	Jun 3	Jun 2	Jun 1	May 31	May 30	May 29	May 28	May 27	May 26	May 25	May 24	May 23	May 22	May 21	May 20	May 19	May 18	May 17	May 16	May 15	May 14	May 13	May 12	May 11	May 10	May 9	May 8	May 7	May 6	May 5	May 4	May 3	May 2	May 1	Apr 30	Apr 29	Apr 28	Apr 27	Apr 26	Apr 25	Apr 24	Apr 23	Apr 22	Apr 21	Apr 20	Apr 19	Apr 18	Apr 17	Apr 16	Apr 15	Apr 14	Apr 13	Apr 12	Apr 11	Apr 10	Apr 9	Apr 8	Apr 7	Apr 6	Apr 5	Apr 4	Apr 3	Apr 2	Apr 1	Mar 31	Mar 30	Mar 29	Mar 28	Mar 27	Mar 26	Mar 25	Mar 24	Mar 23	Mar 22	Mar 21	Mar 20	Mar 19	Mar 18	Mar 17	Mar 16	Mar 15	Mar 14	Mar 13	Mar 12	Mar 11	Mar 10	Mar 9	Mar 8	Mar 7	Mar 6	Mar 5	Mar 4	Mar 3	Mar 2	Mar 1	Feb 29	Feb 28	Feb 27	Feb 26	Feb 25	Feb 24	Feb 23	Feb 22	Feb 21	Feb 20	Feb 19	Feb 18	Feb 17	Feb 16	Feb 15	Feb 14	Feb 13	Feb 12	Feb 11	Feb 10	Feb 9	Feb 8	Feb 7	Feb 6	Feb 5	Feb 4	Feb 3	Feb 2	Feb 1	Jan 31	Jan 30	Jan 29	Jan 28	Jan 27	Jan 26	Jan 25	Jan 24	Jan 23	Jan 22	Jan 21	Jan 20	Jan 19	Jan 18	Jan 17	Jan 16	Jan 15	Jan 14	Jan 13	Jan 12	Jan 11	Jan 10	Jan 9	Jan 8	Jan 7	Jan 6	Jan 5	Jan 4	Jan 3	Jan 2	Jan 1	Dec 31	Dec 30	Dec 29	Dec 28	Dec 27	Dec 26	Dec 25	Dec 24	Dec 23	Dec 22	Dec 21	Dec 20	Dec 19	Dec 18	Dec 17	Dec 16	Dec 15	Dec 14	Dec 13	Dec 12	Dec 11	Dec 10	Dec 9	Dec 8	Dec 7	Dec 6	Dec 5	Dec 4	Dec 3	Dec 2	Dec 1	Nov 30	Nov 29	Nov 28	Nov 27	Nov 26	Nov 25	Nov 24	Nov 23	Nov 22	Nov 21	Nov 20	Nov 19	Nov 18	Nov 17	Nov 16	Nov 15	Nov 14	Nov 13	Nov 12	Nov 11	Nov 10	Nov 9	Nov 8	Nov 7	Nov 6	Nov 5	Nov 4	Nov 3	Nov 2	Nov 1	Oct 31	Oct 30	Oct 29	Oct 28	Oct 27	Oct 26	Oct 25	Oct 24	Oct 23	Oct 22	Oct 21	Oct 20	Oct 19	Oct 18	Oct 17	Oct 16	Oct 15	Oct 14	Oct 13	Oct 12	Oct 11	Oct 10	Oct 9	Oct 8	Oct 7	Oct 6	Oct 5	Oct 4	Oct 3	Oct 2	Oct 1	Sep 30	Sep 29	Sep 28	Sep 27	Sep 26	Sep 25	Sep 24	Sep 23	Sep 22	Sep 21	Sep 20	Sep 19	Sep 18	Sep 17	Sep 16	Sep 15	Sep 14	Sep 13	Sep 12	Sep 11	Sep 10	Sep 9	Sep 8	Sep 7	Sep 6	Sep 5	Sep 4	Sep 3	Sep 2	Sep 1	Aug 31	Aug 30	Aug 29	Aug 28	Aug 27	Aug 26	Aug 25	Aug 24	Aug 23	Aug 22	Aug 21	Aug 20	Aug 19	Aug 18	Aug 17	Aug 16	Aug 15	Aug 14	Aug 13	Aug 12	Aug 11	Aug 10	Aug 9	Aug 8	Aug 7	Aug 6	Aug 5	Aug 4	Aug 3	Aug 2	Aug 1	Jul 31	Jul 30	Jul 29	Jul 28	Jul 27	Jul 26	Jul 25	Jul 24	Jul 23	Jul 22	Jul 21	Jul 20	Jul 19	Jul 18	Jul 17	Jul 16	Jul 15	Jul 14	Jul 13	Jul 12	Jul 11	Jul 10	Jul 9	Jul 8	Jul 7	Jul 6	Jul 5	Jul 4	Jul 3	Jul 2	Jul 1	Jun 30	Jun 29	Jun 28	Jun 27	Jun 26	Jun 25	Jun 24	Jun 23	Jun 22	Jun 21	Jun 20	Jun 19	Jun 18	Jun 17	Jun 16	Jun 15	Jun 14	Jun 13	Jun 12	Jun 11	Jun 10	Jun 9	Jun 8	Jun 7	Jun 6	Jun 5	Jun 4	Jun 3	Jun 2	Jun 1	May 31	May 30	May 29	May 28	May 27	May 26	May 25	May 24	May 23	May 22	May 21	May 20	May 19	May 18	May 17	May 16	May 15	May 14	May 13	May 12	May 11	May 10	May 9	May 8	May 7	May 6	May 5	May 4	May 3	May 2	May 1	Apr 30	Apr 29	Apr 28	Apr 27	Apr 26	Apr 25	Apr 24	Apr 23	Apr 22	Apr 21	Apr 20	Apr 19	Apr 18	Apr 17	Apr 16	Apr 15	Apr 14	Apr 13	Apr 12	Apr 11	Apr 10	Apr 9	Apr 8	Apr 7	Apr 6	Apr 5	Apr 4	Apr 3	Apr 2	Apr 1	Mar 31	Mar 30	Mar 29	Mar 28	Mar 27	Mar 26	Mar 25	Mar 24	Mar 23	Mar 22	Mar 21	Mar 20	Mar 19	Mar 18	Mar 17	Mar 16	Mar 15	Mar 14	Mar 13	Mar 12	Mar 11	Mar 10	Mar 9	Mar 8	Mar 7	Mar 6	Mar 5	Mar 4	Mar 3	Mar 2	Mar 1	Feb 29	Feb 28	Feb 27	Feb 26	Feb 25	Feb 24	Feb 23	Feb 22	Feb 21	Feb 20	Feb 19	Feb 18	Feb 17	Feb 16	Feb 15	Feb 14	Feb 13	Feb 12	Feb 11	Feb 10	Feb 9	Feb 8	Feb 7	Feb 6	Feb 5	Feb 4	Feb 3	Feb 2	Feb 1	Jan 31	Jan 30	Jan 29	Jan 28	Jan 27	Jan 26	Jan 25	Jan 24	Jan 23	Jan 22	Jan 21	Jan 20	Jan 19	Jan 18	Jan 17	Jan 16	Jan 15	Jan 14	Jan 13	Jan 12	Jan 11	Jan 10	Jan 9	Jan 8	Jan 7	Jan 6	Jan 5	Jan 4	Jan 3	Jan 2	Jan 1	Dec 31	Dec 30	Dec 29	Dec 28	Dec 27	Dec 26	Dec 25	Dec 24	Dec 23	Dec 22	Dec 21	Dec 20	Dec 19	Dec 18	Dec 17	Dec 16	Dec 15	Dec 14	Dec 13	Dec 12	Dec 11	Dec 10	Dec 9	Dec 8	Dec 7	Dec 6	Dec 5	Dec 4	Dec 3	Dec 2	Dec 1	Nov 30	Nov 29	Nov 28	Nov 27	Nov 26	Nov 25	Nov 24	Nov 23	Nov 22	Nov 21	Nov 20	Nov 19	Nov 18	Nov 17	Nov 16	Nov 15	Nov 14	Nov 13	Nov 12	Nov 11	Nov 10	Nov 9	Nov 8	Nov 7	Nov 6	Nov 5	Nov 4	Nov 3	Nov 2	Nov 1	Oct 31	Oct 30	Oct 29	Oct 28	Oct 27	Oct 26	Oct 25	Oct 24	Oct 23	Oct 22	Oct 21	Oct 20	Oct 19	Oct 18	Oct 17	Oct 16	Oct 15	Oct 14	Oct 13	Oct 12	Oct 11	Oct 10	Oct 9	Oct 8	Oct 7	Oct 6	Oct 5	Oct 4	Oct 3	Oct 2	Oct 1	Sep 30	Sep 29	Sep 28	Sep 27	Sep 26	Sep 25	Sep 24	Sep 23	Sep 22	Sep 21	Sep 20	Sep 19	Sep 18	Sep 17	Sep 16	Sep 15	Sep 14	Sep 13	Sep 12	Sep 11	Sep 10	Sep 9	Sep 8	Sep 7	Sep 6	Sep 5	Sep 4	Sep 3	Sep 2	Sep 1	Aug 31	Aug 30	Aug 29	Aug 28	Aug 27	Aug 26	Aug 25	Aug 24	Aug 23	Aug 22	Aug 21	Aug 20	Aug 19	Aug 18	Aug 17	Aug 16	Aug 15	Aug 14	Aug 13	Aug 12	Aug 11	Aug 10	Aug 9	Aug 8	Aug 7	Aug 6	Aug 5	Aug 4	Aug 3	Aug 2	Aug 1	Jul 31	Jul 30	Jul 29	Jul 28	Jul 27	Jul 26	Jul 25	Jul 24	Jul 23	Jul 22	Jul 21	Jul 20	Jul 19	Jul 18	Jul 17	Jul 16	Jul 15	Jul 14	Jul 13	Jul 12	Jul 11	Jul 10	Jul 9	Jul 8	Jul 7	Jul 6	Jul 5	Jul 4	Jul 3	Jul 2	Jul 1	Jun 30	Jun 29	Jun 28	Jun 27	Jun 26	Jun 25	Jun 24	Jun 23	Jun 22	Jun 21	Jun 20	Jun 19	Jun 18	Jun 17	Jun 16	Jun 15	Jun 14	Jun 13	Jun 12	Jun 11	Jun 10	Jun 9	Jun 8	Jun 7	Jun 6	Jun 5	Jun 4	Jun 3	Jun 2	Jun 1	May 31	May 30	May 29	May 28	May 27	May 26	May 25	May 24	May 23	May 22	May 21	May 20	May 19	May 18	May 17	May 16	May 15	May 14	May 13	May 12	May 11	May 10	May 9	May 8	May 7	May 6	May 5	May 4	May 3	May 2	May 1	Apr 30	Apr 29	Apr 28	Apr 27	Apr 26	Apr 25	Apr 24	Apr 23	Apr 22	Apr 21	Apr 20	Apr 19	Apr 18	Apr 17	Apr 16	Apr 15	Apr 14	Apr 13	Apr 12	Apr 11	Apr 10	Apr 9	Apr 8	Apr 7	Apr 6	Apr 5	Apr 4	Apr 3	Apr 2	Apr 1	Mar 31	Mar 30	Mar 29	Mar 28	Mar 27	Mar 26	Mar 25	Mar 24	Mar 23	Mar 22	Mar 21	Mar 20	Mar 19	Mar 18	Mar 17	Mar 16	Mar 15	Mar 14	Mar 13	Mar 12	Mar 11	Mar 10	Mar 9	Mar 8	Mar 7	Mar 6	Mar 5	Mar 4	Mar 3	Mar 2	Mar 1	Feb 29	Feb 28	Feb 27	Feb 26	Feb 25	Feb 24	Feb 23	Feb 22	Feb 21	Feb 20	Feb 19	Feb 18	Feb 17	Feb 16	Feb 15	Feb 14	Feb 13	Feb 12	Feb 11	Feb 10	Feb 9	Feb 8	Feb 7	Feb 6	Feb 5	Feb 4	Feb 3	Feb 2	Feb 1	Jan 31	Jan 30	Jan 29	Jan 28	Jan 27	Jan 26	Jan 25	Jan 24	Jan 23	Jan 22	Jan 21	Jan 20	Jan 19	Jan 18	Jan 17	Jan 16	Jan 15	Jan 14	Jan 13	Jan 12	Jan 11	Jan 10	Jan 9	Jan 8	Jan 7	Jan 6	Jan 5	Jan 4	Jan 3	Jan 2	Jan 1	Dec 31	Dec 30	Dec 29	Dec 28	Dec 27	Dec 26	Dec 25	Dec 24	Dec 23	Dec 22	Dec 21	Dec 20	Dec 19	Dec 18	Dec 17	Dec 16	Dec 15	Dec 14	Dec 13	Dec 12	Dec 11	Dec 10	Dec 9	Dec 8	Dec 7	Dec 6	Dec 5	Dec 4	Dec 3	Dec 2	Dec 1	Nov 30	Nov 29	Nov 28	Nov 27	Nov 26	Nov 25	Nov 24	Nov 23	Nov 22	Nov 21	Nov 20	Nov 19	Nov 18	Nov 17	Nov 16	Nov 15	Nov 14	Nov 13	Nov 12	Nov 11	Nov 10	Nov 9	Nov 8	Nov 7	Nov 6	Nov 5	Nov 4	Nov 3	Nov 2	Nov 1	Oct 31	Oct 30	Oct 29	Oct 28	Oct 27	Oct 26	Oct 25	Oct 24	Oct 23	Oct 22	Oct 21	Oct 20	Oct 19	Oct 18	Oct 17	Oct 16	Oct 15	Oct 14	Oct 13	Oct 12	Oct 11	Oct 10	Oct 9	Oct 8	Oct 7	Oct 6	Oct 5	Oct 4	Oct 3	Oct 2	Oct 1	Sep 30	Sep 29	Sep 28	Sep 27	Sep 26	Sep 25	Sep 24	Sep 23	Sep 22	Sep 21	Sep 20	Sep 19	Sep 18	Sep 17	Sep 16	Sep 15	Sep 14
--	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------



## LONDON SHARE SERVICE

## AMERICANS

Notes	Price	1992	1991	1990	1989	1988	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1566	1565	1564	1563	1562	1561	1560	1559	1558	1557	1556	1555	1554	1553	1552	1551	1550	1549	1548	1547	1546	1545	1544	1543	1542	1541	1540	1539	1538	1537	1536	1535	1534	1533	1532	1531	1530	1529	1528	1527	1526	1525	1524	1523	1522	1521	1520	1519	1518	1517	1516	1515	1514	1513	1512	1511	1510	1509	1508	1507	1506	1505	1504	1503	1502	1501	1500	1499	1498	1497	1496	1495	1494	1493	1492	1491	1490	1489	1488	1487	1486	1485	1484	1483	1482	1481	1480	1479	1478	1477	1476	1475	1474	1473	1472	1471	1470	1469	1468	1467	1466	1465	1464	1463	1462	1461	1460	1459	1458	1457	1456	1455	1454	1453	1452	1451	1450	1449	1448	1447	1446	1445	1444	1443	1442	1441	1440	1439	1438	1437	1436	1435	1434	1433	1432	1431	1430	1429	1428	1427	1426	1425	1424	1423	1422	1421	1420	1419	1418	1417	1416	1415	1414	1413	1412	1411	1410	1409	1408	1407	1406	1405	1404	1403	1402	1401	1400	1399	1398	1397	1396	1395	1394	1393	1392	1391	1390	1389	1388	1387	1386	1385	1384	1383	1382	1381	1380	1379	1378	1377	1376	1375	1374	1373	1372	1371	1370	1369	1368	1367	1366	1365	1364	1363	1362	1361	1360	1359	1358	1357	1356	1355	1354	1353	1352	1351	1350	1349	1348	1347	1346	1345	1344	1343	1342	1341	1340	1339	1338	1337	1336	1335	1334	1333	1332	1331	1330	1329	1328	1327	1326	1325	1324	1323	1322	1321	1320	1319	1318	1317	1316	1315	1314	1313	1312	1311	1310	1309	1308	1307	1306	1305	1304	1303	1302	1301	1300	1299	1298	1297	1296	1295	1294	1293	1292	1291	1290	1289	1288	1287	1286	1285	1284	1283	1282	1281	1280	1279	1278	1277	1276	1275	1274	1273	1272	1271	1270	1269	1268	1267	1266	1265	1264	1263	1262	1261	1260	1259	1258	1257	1256	1255	1254	1253	1252	1251	1250	1249	1248	1247	1246	1245	1244	1243	1242	1241	1240	1239	1238	1237	1236	1235	1234	1233	1232	1231	1230	1229	1228	1227	1226	1225	1224	1223	1222	1221	1220	1219	1218	1217	1216	1215	1214	1213	1212	1211	1210	1209	1208	1207	1206	1205	1204	1203	1202	1201	1200	1199	1198	1197	1196	1195	1194	1193	1192	1191	1190	1189	1188	1187	1186	1185	1184	1183	1182	1181	1180	1179	1178	1177	1176	1175	1174	1173	1172	1171	1170	1169	1168	1167	1166	1165	1164	1163	1162	1161	1160	1159	1158	1157	1156	1155	1154	1153	1152	1151	1150	1149	1148	1147	1146	1145	1144	1143	1142	1141	1140	1139	1138	1137	1136	1135	1134	1133	1132	1131	1130	1129	1128	1127	1126	1125	1124	1123	1122	1121	1120	1119	1118	1117	1116	1115	1114	1113	1112	1111	1110	1109	1108	1107	1106	1105	1104	1103	1102	1101	1100	1099	1098	1097	1096	1095	1094	1093	1092	1091	1090	1089	1088	1087	1086	1085	1084	1083	1082	1081	1080	1079	1078	1077	1076	1075	1074	1073	1072	1071	1070	1069	1068	1067	1066	1065	1064	1063	1062	1061	1060	1059	1058	1057	1056	1055	1054	1053	1052	1051	1050	1049	1048	1047	1046	1045	1044	1043	1042	1041	1040	1039	1038	1037	1036	1035	1034	1033	1032	1031	1030	1029	1028	1027	1026	1025	1024	1023	1022	1021	1020	1019	1018	1017	1016	1015	1014	1013	1012	1011	1010	1009	1008	1007	1006	1005	1004	1003	1002	1001	1000	999	998	997	996	995	994	993	992	991	990	989	988	987	986	985	984	983	982	981	980	979	978	977	976	975	974	973	972	971	970	969	968	967	966	965	964	963	962	961	960	959	958	957	956	955	954	953	952	951	950	949	948	947	946	945	944	943	942	941	940	939	938	937	936	935	934	933	932	931	930	929	928	927	926	925	924	923	922	921	920	919	918	917	916	915	914	913	912	911	910	909	908	907	906	905	904	903	902	901	900	899	898	897	896	895	894	893	892	891	890	889	888	887	886	885	884	883	882	881	880	879	878	877	876	875	874	873	872	871	870	869	868	867	866	865	864	863	862	861	860	859	858	857	856	855	854	853	852	851	850	849	848	847	846	845	844	843	842	841	840	839	838	837	836	835	834	833	832	831	830	829	828	827	826	825	824	823	822	821	820	819	818	817	816	815	814	813	812	811	810	809	808	807	806	805	804	803	802	801	800	799	798	797	796	795	794	793	792	791	790	789	788	787	786	785	784	783	782	781	780	779	778	777	776	775	774	773	772	771	770	769	768	767	766	765	764	763	762	761	760	759	758	757	756	755	754	753	752	751	750	749	748	747	746	745	744	743	742	741	740	739	738	737	736	735	734	733	732	731	730	729	728	727	726	725	724	723	722	721	720	719	718	717	716	715	714	713	712	711	710	709	708	707	706	705	704	703	702	701	700	699	698	697	696	695	694	693	692	691	690	689	688	687	686	685	684	683	682	681	680	679	678	677	676	675	674	673	672	671	670	669	668	667	666	665	664	663	662	661	660	659	658	657	656	655	654	653	652	651	650	649	648	647	646	645	644	643	642	641	640	639	638	637	636	635	634	633	632	631	630	629	628	627	626	625	624	623	622	621	620	619	618	617	616	615	614	613	612	611	610	609	608	607	606	605	604	603	602	601	600	599	598	597	596	595	594	593	592	591	590	589
-------	-------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----



## INVESTMENT TRUSTS - Cont.

Company	Price	1992	1991	1990	1989	1988	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1566	1565	1564	1563	1562	1561	1560	1559	1558	1557	1556	1555	1554	1553	1552	1551	1550	1549	1548	1547	1546	1545	1544	1543	1542	1541	1540	1539	1538	1537	1536	1535	1534	1533	1532	1531	1530	1529	1528	1527	1526	1525	1524	1523	1522	1521	1520	1519	1518	1517	1516	1515	1514	1513	1512	1511	1510	1509	1508	1507	1506	1505	1504	1503	1502	1501	1500	1499	1498	1497	1496	1495	1494	1493	1492	1491	1490	1489	1488	1487	1486	1485	1484	1483	1482	1481	1480	1479	1478	1477	1476	1475	1474	1473	1472	1471	1470	1469	1468	1467	1466	1465	1464	1463	1462	1461	1460	1459	1458	1457	1456	1455	1454	1453	1452	1451	1450	1449	1448	1447	1446	1445	1444	1443	1442	1441	1440	1439	1438	1437	1436	1435	1434	1433	1432	1431	1430	1429	1428	1427	1426	1425	1424	1423	1422	1421	1420	1419	1418	1417	1416	1415	1414	1413	1412	1411	1410	1409	1408	1407	1406	1405	1404	1403	1402	1401	1400	1399	1398	1397	1396	1395	1394	1393	1392	1391	1390	1389	1388	1387	1386	1385	1384	1383	1382	1381	1380	1379	1378	1377	1376	1375	1374	1373	1372	1371	1370	1369	1368	1367	1366	1365	1364	1363	1362	1361	1360	1359	1358	1357	1356	1355	1354	1353	1352	1351	1350	1349	1348	1347	1346	1345	1344	1343	1342	1341	1340	1339	1338	1337	1336	1335	1334	1333	1332	1331	1330	1329	1328	1327	1326	1325	1324	1323	1322	1321	1320	1319	1318	1317	1316	1315	1314	1313	1312	1311	1310	1309	1308	1307	1306	1305	1304	1303	1302	1301	1300	1299	1298	1297	1296	1295	1294	1293	1292	1291	1290	1289	1288	1287	1286	1285	1284	1283	1282	1281	1280	1279	1278	1277	1276	1275	1274	1273	1272	1271	1270	1269	1268	1267	1266	1265	1264	1263	1262	1261	1260	1259	1258	1257	1256	1255	1254	1253	1252	1251	1250	1249	1248	1247	1246	1245	1244	1243	1242	1241	1240	1239	1238	1237	1236	1235	1234	1233	1232	1231	1230	1229	1228	1227	1226	1225	1224	1223	1222	1221	1220	1219	1218	1217	1216	1215	1214	1213	1212	1211	1210	1209	1208	1207	1206	1205	1204	1203	1202	1201	1200	1199	1198	1197	1196	1195	1194	1193	1192	1191	1190	1189	1188	1187	1186	1185	1184	1183	1182	1181	1180	1179	1178	1177	1176	1175	1174	1173	1172	1171	1170	1169	1168	1167	1166	1165	1164	1163	1162	1161	1160	1159	1158	1157	1156	1155	1154	1153	1152	1151	1150	1149	1148	1147	1146	1145	1144	1143	1142	1141	1140	1139	1138	1137	1136	1135	1134	1133	1132	1131	1130	1129	1128	1127	1126	1125	1124	1123	1122	1121	1120	1119	1118	1117	1116	1115	1114	1113	1112	1111	1110	1109	1108	1107	1106	1105	1104	1103	1102	1101	1100	1099	1098	1097	1096	1095	1094	1093	1092	1091	1090	1089	1088	1087	1086	1085	1084	1083	1082	1081	1080	1079	1078	1077	1076	1075	1074	1073	1072	1071	1070	1069	1068	1067	1066	1065	1064	1063	1062	1061	1060	1059	1058	1057	1056	1055	1054	1053	1052	1051	1050	1049	1048	1047	1046	1045	1044	1043	1042	1041	1040	1039	1038	1037	1036	1035	1034	1033	1032	1031	1030	1029	1028	1027	1026	1025	1024	1023	1022	1021	1020	1019	1018	1017	1016	1015	1014	1013	1012	1011	1010	1009	1008	1007	1006	1005	1004	1003	1002	1001	1000	999	998	997	996	995	994	993	992	991	990	989	988	987	986	985	984	983	982	981	980	979	978	977	976	975	974	973	972	971	970	969	968	967	966	965	964	963	962	961	960	959	958	957	956	955	954	953	952	951	950	949	948	947	946	945	944	943	942	941	940	939	938	937	936	935	934	933	932	931	930	929	928	927	926	925	924	923	922	921	920	919	918	917	916	915	914	913	912	911	910	909	908	907	906	905	904	903	902	901	900	899	898	897	896	895	894	893	892	891	890	889	888	887	886	885	884	883	882	881	880	879	878	877	876	875	874	873	872	871	870	869	868	867	866	865	864	863	862	861	860	859	858	857	856	855	854	853	852	851	850	849	848	847	846	845	844	843	842	841	840	839	838	837	836	835	834	833	832	831	830	829	828	827	826	825	824	823	822	821	820	819	818	817	816	815	814	813	812	811	810	809	808	807	806	805	804	803	802	801	800	799	798	797	796	795	794	793	792	791	790	789	788	787	786	785	784	783	782	781	780	779	778	777	776	775	774	773	772	771	770	769	768	767	766	765	764	763	762	761	760	759	758	757	756	755	754	753	752	751	750	749	748	747	746	745	744	743	742	741	740	739	738	737	736	735	734	733	732	731	730	729	728	727	726	725	724	723	722	721	720	719	718	717	716	715	714	713	712	711	710	709	708	707	706	705	704	703	702	701	700	699	698	697	696	695	694	693	692	691	690	689	688	687	686	685	684	683	682	681	680	679	678	677	676	675	674	673	672	671	670	669	668	667	666	665	664	663	662	661	660	659	658	657	656	655	654	653	652	651	650	649	648	647	646	645	644	643	642	641	640	639	638	637	636	635	634	633	632	631	630	629	628	627	626	625	624	623	622	621	620	619	618	617	616	615	614	613	612	611	610	609	608	607	606	605	604	603	602	601	600	599	598
---------	-------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----







செ. பி. ராஜா

Continued on next page



## FT MANAGED FUNDS SERVICE

Current Unit Trust prices are available on FT Cityline. Calls charged at 36p/minute cheap rate and 49p/minute at all other times. To obtain a free Unit Trust Code Booklet ring (071) 925-2128.

<div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09070</div><div>Asset Assurance (Unit Fund) Ltd</div><div>0722 09</div></div>
---



● Current Unit Trust prices are available on FT Cityline. Calls charged at 36p/minute cheap rate and 48p/minute at all other times. To obtain a free Unit Trust Code Booklet ring (071) 826 2128

[illegible]

### MANAGED FUNDS NOTES

Prices are in pence unless otherwise indicated and those designated \$ will not prefer to refer to U.S. dollars. Yields % allow for all buying charges. Prices of certain other insurance linked plans subject to capital gains tax on sales. A distribution free of UK tax.  $\circ$  Periodic premium insurance plans.  $\circ$  Simple premium insurance.  $\circ$  Designated investment.  $\circ$  Investment in UK equities.  $\circ$  Collective investment in transferable securities.  $\circ$  Offered prior to all expenses except agent's commission.  $\circ$  2 days after the price.  $\circ$  In Germany only.  $\circ$  Suspended.  $\circ$  Yield before Jersey tax.  $\circ$  Yield before UK tax.  $\circ$  Yield before charitable bodies.  $\circ$  Yield shown shows annualized rates of NAV increase, not on dividend.

For further information, contact: The regulatory authorities for these funds are: The Financial Services Commission, Ireland Central Bank of Ireland, Isle of Man Financial Supervision Commission, Jersey: Commission of the Financial Department, Licensing Institute of the Channel Islands.



## CURRENCIES, MONEY AND CAPITAL MARKETS

## FOREIGN EXCHANGES

## Dollar falls back on indicators

THE DOLLAR was boosted against the D-Mark by a new threat of central bank intervention yesterday, but later lost ground on a lacklustre set of US economic indicators, writes James Hilt.

An unnamed official at the Bank of Italy said the central bank was prepared to intervene in the market again to keep the dollar off its lows, and this boosted the currency by 1/4 pence up to DM1.4766 in the European morning.

The currency slipped later as a mixed bag of indicators showed no clear sign of an economic upturn in the US. Construction spending in the US fell by 1.5 per cent in June, while the National Association of Purchasing Managers Index for July rose to 54.2 per cent from 52.8 per cent, with supplier deliveries the slowest since March 1989.

The dollar finished a net 1/4 pence down at DM1.4760. In New York it gave further ground to close at DM1.4733.

There is uncertainty in the markets as to whether the central banks have a firm policy to keep the dollar above its all-time low.

According to analysts at UBS Phillips & Drew in London, "The threat of another bout of central bank intervention will continue to deter the establishment of aggressive short dollar positions." But other traders feel that the authorities in the US may be willing to see the dollar drop below the historic low of DM1.4700 after all.

One London-based analyst wondered why there was no official intervention last week when the dollar fell below levels at which the central banks had intervened on July 20. "If the central banks do not show their hand shortly between DM1.4600 and DM1.4700, they will risk losing credibility in the eyes of the market," he said.

The D-Mark lost some ground to the dollar and European currencies after an opinion

poll conducted by French newspaper *La Libération* showed that 57 per cent of those polled would vote in favour of European political and monetary union in next month's French referendum.

Signs that the Maastricht treaty will be ratified weakened the D-Mark because the treaty commits European Community member countries to stringent convergence criteria.

However, this was not enough to offset the D-Mark's increasing attractiveness. Sterling ended the day lower at DM2.8400 from a previous close of DM2.8430, while the German unit edged up to FRG3.3790 after a previous FRG3.3780.

The Italian lira was firm against the D-Mark yesterday following the Italian government's decision to abolish the *scala mobile*, which has set inflation-linked wage rises for most of Italy's workers since 1945. The lira closed at L755.3 to the D-Mark, compared to L755.9 previously.

## FINANCIAL FUTURES AND OPTIONS

## LIVE LONG GILT FUTURES OPTIONS

Strike	Call	Puts
94	3.15	4.44
95	3.17	4.08
96	3.17	3.65
97	3.18	3.24
98	3.18	2.84
99	3.18	2.44
100	3.18	2.04
101	3.18	1.64
102	3.18	1.24
103	3.18	0.84
104	3.18	0.44
105	3.18	0.04

Estimated volume total, Call 592 Put 524  
Previous day's open, Call 613 Put 742

## LIVE EURO AREA FUTURES OPTIONS

Strike	Call	Puts
92	0.02	0.02
93	0.02	0.02
94	0.02	0.02
95	0.02	0.02
96	0.02	0.02
97	0.02	0.02
98	0.02	0.02
99	0.02	0.02
100	0.02	0.02
101	0.02	0.02
102	0.02	0.02
103	0.02	0.02
104	0.02	0.02
105	0.02	0.02

Estimated volume total, Call 294 Put 325  
Previous day's open, Call 613 Put 742

## LIVE US TREASURY FUTURES OPTIONS

Strike	Call	Puts
101	3.15	4.44
102	3.17	4.08
103	3.17	3.65
104	3.18	3.24
105	3.18	2.84
106	3.18	2.44
107	3.18	2.04
108	3.18	1.64
109	3.18	1.24
110	3.18	0.84
111	3.18	0.44
112	3.18	0.04

Estimated volume total, Call 592 Put 524  
Previous day's open, Call 613 Put 742

## LIVE ITALIAN GILT FUTURES OPTIONS

Strike	Call	Puts
101	3.15	4.44
102	3.17	4.08
103	3.17	3.65
104	3.18	3.24
105	3.18	2.84
106	3.18	2.44
107	3.18	2.04
108	3.18	1.64
109	3.18	1.24
110	3.18	0.84
111	3.18	0.44
112	3.18	0.04

Estimated volume total, Call 592 Put 524  
Previous day's open, Call 613 Put 742

## LIVE JAPANESE YEN FUTURES OPTIONS

Strike	Call	Puts
101	3.15	4.44
102	3.17	4.08
103	3.17	3.65
104	3.18	3.24
105	3.18	2.84
106	3.18	2.44
107	3.18	2.04
108	3.18	1.64
109	3.18	1.24
110	3.18	0.84
111	3.18	0.44
112	3.18	0.04

Estimated volume total, Call 592 Put 524  
Previous day's open, Call 613 Put 742

## LIVE US TREASURY FUTURES OPTIONS

Strike	Call	Puts
101	3.15	4.44
102	3.17	4.08
103	3.17	3.65
104	3.18	3.24
105	3.18	2.84
106	3.18	2.44
107	3.18	2.04
108	3.18	1.64
109	3.18	1.24
110	3.18	0.84
111	3.18	0.44
112	3.18	0.04

Estimated volume total, Call 592 Put 524  
Previous day's open, Call 613 Put 742

## LIVE ITALIAN GILT FUTURES OPTIONS

Strike	Call	Puts
101	3.15	4.44
102	3.17	4.08
103	3.17	3.65
104	3.18	3.24
105	3.18	2.84
106	3.18	2.44
107	3.18	2.04
108	3.18	1.64
109	3.18	1.24
110	3.18	0.84
111	3.18	0.44
112	3.18	0.04

Estimated volume total, Call 592 Put 524  
Previous day's open, Call 613 Put 742

## LIVE JAPANESE YEN FUTURES OPTIONS

Strike	Call	Puts
101	3.15	4.44
102	3.17	4.08
103	3.17	3.65
104	3.18	3.24
105	3.18	2.84
106	3.18	2.44
107	3.18	2.04
108	3.18	1.64
109	3.18	1.24
110	3.18	0.84
111	3.18	0.44
112	3.18	0.04

Estimated volume total, Call 592 Put 524  
Previous day's open, Call 613 Put 742

## LIVE US TREASURY FUTURES OPTIONS

Strike	Call	Puts
101	3.15	4.44
102	3.17	4.08
103	3.17	3.65
104	3.18	3.24
105	3.18	2.84
106	3.18	2.44
107	3.18	2.04
108	3.18	1.64
109	3.18	1.24
110	3.18	0.84
111	3.18	0.44
112	3.18	0.04

Estimated volume total, Call 592 Put 524  
Previous day's open, Call 613 Put 742

## LIVE ITALIAN GILT FUTURES OPTIONS

Strike	Call	Puts
101	3.15	4.44
102	3.17	4.08
103	3.17	3.65
104	3.18	3.24
105	3.18	2.84
106	3.18	2.44
107	3.18	2.04
108	3.18	1.64
109	3.18	1.24
110	3.18	0.84
111	3.18	0.44
112	3.18	0.04

Estimated volume total, Call 592 Put 524  
Previous day's open, Call 613 Put 742

## LIVE JAPANESE YEN FUTURES OPTIONS

Strike	Call	Puts
101	3.15	4.44
102	3.17	4.08
103	3.17	3.65
104	3.18	3.24
105	3.18	2.84
106	3.18	2.44
107	3.18	2.04
108	3.18	1.64
109	3.18	1.24
110	3.18	0.84
111	3.18	0.44
112	3.18	0.04

Estimated volume total, Call 592 Put 524  
Previous day's open, Call 613 Put 742

## LIVE US TREASURY FUTURES OPTIONS

Strike	Call	Puts
101	3.15	4.44
102	3.17	4.08
103	3.17	3.65
104	3.18	3.24
105	3.18	2.84
106	3.18	2.44
107	3.18	2.04
108	3.18	1.64
109	3.18	1.24
110	3.18	0.84
111	3.18	0.44
112	3.18	0.04

Estimated volume total, Call 592 Put 524  
Previous day's open, Call 613 Put 742

## LIVE ITALIAN GILT FUTURES OPTIONS

Strike	Call	Puts
101	3.15	4.44
102	3.17	4.08
103	3.17	3.65
104	3.18	3.24
105	3.18	2.84
106	3.18	2.44
107	3.18	2.04
108	3.18	1.64
109	3.18	1.24
110	3.18	0.84
111	3.18	0.44
112	3.18	0.04

Estimated volume total, Call 592 Put 524  
Previous day's open, Call 613 Put 742

## LIVE JAPANESE YEN FUTURES OPTIONS

Strike	Call	Puts
101	3.15	4.44
102	3.17	4.08
103	3.17	3.65
104	3.18	3.24
105	3.18	2.84
106	3.18	2.44
107	3.18	2.04
108	3.18	1.64
109	3.18	1.24
110	3.18	0.84
111	3.18	0.44
112	3.18	0.04

Estimated volume total, Call 592 Put 524  
Previous day's open, Call 613 Put 742

## LIVE US TREASURY FUTURES OPTIONS

Strike	Call	Puts
101	3.15	4.44
102	3.17	4.08
103	3.17	3.65
104	3.18	3.24
105	3.18	2.84
106	3.18	2.44
107	3.18	2.04
108	3.18	1.64
109	3.18	1.24
110	3.18	0.84
111	3.18	0.44
112	3.18	0.04

Estimated volume total, Call 592 Put 524  
Previous day's open, Call 613 Put 742

## LIVE ITALIAN GILT FUTURES OPTIONS

Strike	Call	Puts
101	3.15	4.44
102	3.17	4.08
103	3.17	3.65
104	3.18	3.24
105	3.18	2.84
106	3.18	2.44
107	3.18	2.04
108	3.18	1.64
109	3.18	1.24
110	3.18	0.84
111	3.18	0.44
112	3.18	0.04

Estimated volume total, Call 592 Put 524  
Previous day's open, Call 613 Put 742

## LIVE JAPANESE YEN FUTURES OPTIONS

Strike	Call	Puts
101	3.15	4.44
102	3.17	4.08
103	3.17	3.65
104	3.18	3.24
105	3.18	2.84
106	3.18	2.44
107	3.18	2.04
108	3.18	1.64
109	3.18	1.24
110	3.18	0.84
111	3.18	0.44
112	3.18	0.04

Estimated volume total, Call 592 Put 524  
Previous day's open, Call 613 Put 742

## LIVE US TREASURY FUTURES OPTIONS

Strike	Call	Puts
101	3.15	4.44
102	3.17	4.08
103	3.17	3.65
104	3.18	3.24
105	3.18	2.84
106	3.18	2.44
107	3.18	2.04
108	3.18	1.64
109	3.18	1.24
110	3.18	0.84
111	3.18	0.44
112	3.18	0.04

Estimated volume total, Call 592 Put 524  
Previous day's open, Call 613 Put 742

## LIVE ITALIAN GILT FUTURES OPTIONS

Strike	Call	Puts
101	3.15	4.44
102	3.17	4.08
103	3.17	3.65
104	3.18	3.24
105	3.18	2.84
106	3.18	2.44
107	3.18	2.04
108	3.18	1.64
109	3.18	1.24
110	3.18	0.84
111	3.18	0.44
112	3.18	0.04

Estimated volume total, Call 592 Put 524  
Previous day's open, Call 613 Put 742

## LIVE JAPANESE YEN FUTURES OPTIONS

Strike	Call	Puts
101	3.15	4.44
102	3.17	4.08
103	3.17	3.65
104	3.18	3.24
105	3.18	2.84
106	3.18	2.44
107	3.18	2.04
108	3.18	1.64
109	3.18	1.24
110	3.18	0.84
111	3.18	0.44
112	3.18	0.04

## M



## CANADA

Stock	High	Low	Close	Change
LowOn A	59 1/2	9 1/2	9 1/2	
Scissors Re	41	41	41	
Scott Paper	\$15 1/2	15 1/2	16 1/2	
Scotts Hos	\$14 1/4	13 1/2	14	
Seagram Co	\$35 3/4	35 1/2	35 3/4	
Seers Can	\$7 7/8	7 1/2	7 7/8	
SeersCan A	\$41 1/2	41 1/2	41 1/2	
Sherritt G	\$8 1/2	8 1/2	8 1/2	
Sirt. Syst	\$10 1/2	8 1/2	8 1/2	
SONG Corp	\$10	10	10	
Sonoma Gld	17	17	17	

[illegible]

		817%	7%	7%	→
		microton	517%	17%	14%
		in 15,697,260 shrimps			
		1992			
		HIGH		LOW	
		1	1644.56 (242%)	1945.30 (242%)	
		2	725.93 (242%)	646.33 (242%)	
		3	438.57 (242%)	352.09 (242%)	
		4	1095.42 (242%)	765.71 (242%)	
		5	1235.49 (242%)	1097.23 (242%)	
	7	1	155.90 (242%)	683.06 (317%)	
	8	1	559.91 (121%)	475.53 (242%)	
	9	1	725.26 (242%)	631.84 (242%)	
	10	1	294.03 (242%)	1735.34 (242%)	
	11	9	614.53 (242%)	1301.78 (242%)	
	12	4	1449.57 (242%)	1262.96 (242%)	
	13	4	551.23 (242%)	397.73 (242%)	
	14	4	1386.09 (242%)	771.60 (242%)	

3	2380.18 (6/1)	1369.95 (2/7)
4	1763.43 (6/1)	1170.93 (2/7)
5	2459.85 (6/1)	1704.26 (3/7)
6	619.06 (2/2)	546.63 (1/1)
7	314.98 (1/6)	274.00 (8/1)
8	215.50 (2/5)	192.48 (8/1)
9	772.74 (1/5)	643.24 (2/7)
10	1580.95 (11/6)	1083.01 (11/7)
11	4127.91 (21/1)	3713.35 (1/6)
12	136.00 (21/1)	100.00 (2/4)
13	4689.00 (1/6)	4128.00 (2/7)

4	691.45 (2/2)	505.35 (2/7)
3	266.51 (2/2)	211.35 (2/7)
1	1614.50 (11/5)	834.70 (2/7)
7	883.40 (11/5)	743.50 (2/7)
9	662.30 (11/5)	601.10 (2/7)
2	5291.63 (30/1)	3947.32 (2/7)
8	832.39 (7/6)	667.84 (11/5)
5	542.18 (7/11)	467.50 (2/4)
6	976.55 (2/5)	840.06 (2/7)

Ex. 506.57,  
\*Calculated at 15.00 GMY.  
Gen. MIB Gen., Euro Top-100, ISEO Over-  
Australia AH Ordinary and Mining - 500; 0

WN

**S?**

**LE NOW!**

---

Stock	High	Low	Close	Change
LowOn A	59 1/2	9 1/4	9 1/4	
Scissors Re	41	41	41	
Scott Paper	\$15 1/2	15 1/4	15 1/4	
Scotts Hos	\$14 1/4	13 1/2	14	
Seagram Co	\$35 3/4	35 1/2	35 1/2	
Seers Can	\$7 7/8	7 1/2	7 7/8	
SeersCan A	\$41 1/2	41 1/4	41 1/4	
Sherritt G	\$8 1/2	8 1/4	8 1/4	
Sirt. Syst	\$10 1/2	8 1/4	8 1/4	
SONG Corp	\$10	10	10	
Sonoma Gld	17	17	17	

[illegible]

		817%	7%	7%	→
		microton	517%	17%	14%
		in 15,697,260 shrimps			
		1992			
		HIGH		LOW	
		1	1644.56 (242%)	1945.30 (242%)	
		2	725.93 (242%)	646.33 (242%)	
		3	438.57 (242%)	352.09 (242%)	
		4	1095.42 (242%)	765.71 (242%)	
		5	1235.49 (242%)	1097.23 (242%)	
	7	1	155.90 (242%)	683.06 (317%)	
	8	1	559.91 (121%)	475.53 (242%)	
	9	1	725.26 (242%)	631.84 (242%)	
	10	1	294.03 (242%)	1735.34 (242%)	
	11	9	614.53 (242%)	1301.78 (242%)	
	12	4	1449.57 (242%)	1262.96 (242%)	
	13	4	551.23 (242%)	397.73 (242%)	
	14	4	1386.09 (242%)	771.60 (242%)	

3	2380.18 (6/1)	1369.95 (2/7)
4	1763.43 (6/1)	1170.93 (2/7)
5	2459.85 (6/1)	1704.26 (3/7)
6	619.06 (2/2)	546.63 (1/1)
7	314.98 (1/6)	274.00 (8/1)
8	215.50 (2/5)	192.48 (8/1)
9	772.74 (1/5)	643.24 (2/7)
10	1580.95 (11/6)	1083.01 (11/7)
11	4127.91 (21/1)	3713.35 (1/6)
12	136.00 (21/1)	100.00 (2/4)
13	4689.00 (1/6)	4128.00 (2/7)

4	691.45 (2/2)	505.35 (2/7)
3	266.51 (2/2)	211.35 (2/7)
1	1614.50 (11/5)	834.70 (2/7)
7	883.40 (11/5)	743.50 (2/7)
9	662.30 (11/5)	601.10 (2/7)
2	5291.63 (30/1)	3947.32 (2/7)
8	832.39 (7/6)	667.84 (11/5)
5	542.18 (7/11)	467.50 (2/4)
6	976.55 (2/5)	840.06 (2/7)

Ex. 506.57,  
\*Calculated at 15.00 GMY.  
Gen. MIB Gen., Euro Top-100, ISEO Over-  
Australia AH Ordinary and Mining - 500; 0

WN

**S?**

**LE NOW!**

---



FINANCIAL TIMES  
A EUROPEAN & AMERICAN FINANCIAL NEWSPAPER

---



## NEW YORK STOCK EXCHANGE COMPOSITE PRICES

1992	1991	1990	1989	1988	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1566	1565	1564	1563	1562	1561	1560	1559	1558	1557	1556	1555	1554	1553	1552	1551	1550	1549	1548	1547	1546	1545	1544	1543	1542	1541	1540	1539	1538	1537	1536	1535	1534	1533	1532	1531	1530	1529	1528	1527	1526	1525	1524	1523	1522	1521	1520	1519	1518	1517	1516	1515	1514	1513	1512	1511	1510	1509	1508	1507	1506	1505	1504	1503	1502	1501	1500	1499	1498	1497	1496	1495	1494	1493	1492	1491	1490	1489	1488	1487	1486	1485	1484	1483	1482	1481	1480	1479	1478	1477	1476	1475	1474	1473	1472	1471	1470	1469	1468	1467	1466	1465	1464	1463	1462	1461	1460	1459	1458	1457	1456	1455	1454	1453	1452	1451	1450	1449	1448	1447	1446	1445	1444	1443	1442	1441	1440	1439	1438	1437	1436	1435	1434	1433	1432	1431	1430	1429	1428	1427	1426	1425	1424	1423	1422	1421	1420	1419	1418	1417	1416	1415	1414	1413	1412	1411	1410	1409	1408	1407	1406	1405	1404	1403	1402	1401	1400	1399	1398	1397	1396	1395	1394	1393	1392	1391	1390	1389	1388	1387	1386	1385	1384	1383	1382	1381	1380	1379	1378	1377	1376	1375	1374	1373	1372	1371	1370	1369	1368	1367	1366	1365	1364	1363	1362	1361	1360	1359	1358	1357	1356	1355	1354	1353	1352	1351	1350	1349	1348	1347	1346	1345	1344	1343	1342	1341	1340	1339	1338	1337	1336	1335	1334	1333	1332	1331	1330	1329	1328	1327	1326	1325	1324	1323	1322	1321	1320	1319	1318	1317	1316	1315	1314	1313	1312	1311	1310	1309	1308	1307	1306	1305	1304	1303	1302	1301	1300	1299	1298	1297	1296	1295	1294	1293	1292	1291	1290	1289	1288	1287	1286	1285	1284	1283	1282	1281	1280	1279	1278	1277	1276	1275	1274	1273	1272	1271	1270	1269	1268	1267	1266	1265	1264	1263	1262	1261	1260	1259	1258	1257	1256	1255	1254	1253	1252	1251	1250	1249	1248	1247	1246	1245	1244	1243	1242	1241	1240	1239	1238	1237	1236	1235	1234	1233	1232	1231	1230	1229	1228	1227	1226	1225	1224	1223	1222	1221	1220	1219	1218	1217	1216	1215	1214	1213	1212	1211	1210	1209	1208	1207	1206	1205	1204	1203	1202	1201	1200	1199	1198	1197	1196	1195	1194	1193	1192	1191	1190	1189	1188	1187	1186	1185	1184	1183	1182	1181	1180	1179	1178	1177	1176	1175	1174	1173	1172	1171	1170	1169	1168	1167	1166	1165	1164	1163	1162	1161	1160	1159	1158	1157	1156	1155	1154	1153	1152	1151	1150	1149	1148	1147	1146	1145	1144	1143	1142	1141	1140	1139	1138	1137	1136	1135	1134	1133	1132	1131	1130	1129	1128	1127	1126	1125	1124	1123	1122	1121	1120	1119	1118	1117	1116	1115	1114	1113	1112	1111	1110	1109	1108	1107	1106	1105	1104	1103	1102	1101	1100	1099	1098	1097	1096	1095	1094	1093	1092	1091	1090	1089	1088	1087	1086	1085	1084	1083	1082	1081	1080	1079	1078	1077	1076	1075	1074	1073	1072	1071	1070	1069	1068	1067	1066	1065	1064	1063	1062	1061	1060	1059	1058	1057	1056	1055	1054	1053	1052	1051	1050	1049	1048	1047	1046	1045	1044	1043	1042	1041	1040	1039	1038	1037	1036	1035	1034	1033	1032	1031	1030	1029	1028	1027	1026	1025	1024	1023	1022	1021	1020	1019	1018	1017	1016	1015	1014	1013	1012	1011	1010	1009	1008	1007	1006	1005	1004	1003	1002	1001	1000	999	998	997	996	995	994	993	992	991	990	989	988	987	986	985	984	983	982	981	980	979	978	977	976	975	974	973	972	971	970	969	968	967	966	965	964	963	962	961	960	959	958	957	956	955	954	953	952	951	950	949	948	947	946	945	944	943	942	941	940	939	938	937	936	935	934	933	932	931	930	929	928	927	926	925	924	923	922	921	920	919	918	917	916	915	914	913	912	911	910	909	908	907	906	905	904	903	902	901	900	899	898	897	896	895	894	893	892	891	890	889	888	887	886	885	884	883	882	881	880	879	878	877	876	875	874	873	872	871	870	869	868	867	866	865	864	863	862	861	860	859	858	857	856	855	854	853	852	851	850	849	848	847	846	845	844	843	842	841	840	839	838	837	836	835	834	833	832	831	830	829	828	827	826	825	824	823	822	821	820	819	818	817	816	815	814	813	812	811	810	809	808	807	806	805	804	803	802	801	800	799	798	797	796	795	794	793	792	791	790	789	788	787	786	785	784	783	782	781	780	779	778	777	776	775	774	773	772	771	770	769	768	767	766	765	764	763	762	761	760	759	758	757	756	755	754	753	752	751	750	749	748	747	746	745	744	743	742	741	740	739	738	737	736	735	734	733	732	731	730	729	728	727	726	725	724	723	722	721	720	719	718	717	716	715	714	713	712	711	710	709	708	707	706	705	704	703	702	701	700	699	698	697	696	695	694	693	692	691	690	689	688	687	686	685	684	683	682	681	680	679	678	677	676	675	674	673	672	671	670	669	668	667	666	665	664	663	662	661	660	659	658	657	656	655	654	653	652	651	650	649	648	647	646	645	644	643	642	641	640	639	638	637	636	635	634	633	632	631	630	629	628	627	626	625	624	623	622	621	620	619	618	617	616	615	614	613	612	611	610	609	608	607	606	605	604	603	602	601	600	599	598	597	596	595	594	593	592	591	590	589	588	587	586	585	584	583	582	581	580	579	578	577	576	575	574	573	572
------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

**Continued on next page**

28 2015 Norsk Hydro 0.47 1.9 37 581 084 084 084



**NASDAQ NATIONAL MARKET**

4:00 am prices August 3

Stock	Div. E	100s	High	Low	Last Chng	Stock	Div. E	100s	High	Low	Last Chng	Stock	Div. E	100s	High	Low	Last Chng	Stock	Div. E	100s	High	Low	Last Chng			
AT&T	0.41	206	354	36	354	+	Delta	0.15	24	91	91	+	Lan Rec	17	860	123	12	12	+	ISI Co	0.16	17	340	23	23	
ACC Corp	0.16	60	17	16	16	+	Dynalco	0.10	20	76	76	+	Lane	0.80	20	188	33	33	33	+	Seaboard	0.38	17	200	63	6
ACC Inc	0.30	10	10	10	10	0	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0.58	342	16	15	15	+	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0.58	342	16	15	15	+	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0.58	342	16	15	15	+	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0.58	342	16	15	15	+	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0.58	342	16	15	15	+	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0.58	342	16	15	15	+	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0.58	342	16	15	15	+	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0.58	342	16	15	15	+	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0.58	342	16	15	15	+	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0.58	342	16	15	15	+	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0.58	342	16	15	15	+	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0.58	342	16	15	15	+	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0.58	342	16	15	15	+	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0.58	342	16	15	15	+	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0.58	342	16	15	15	+	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0.58	342	16	15	15	+	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0.58	342	16	15	15	+	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0.58	342	16	15	15	+	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0.58	342	16	15	15	+	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0.58	342	16	15	15	+	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0.58	342	16	15	15	+	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0.58	342	16	15	15	+	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0.58	342	16	15	15	+	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0.58	342	16	15	15	+	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0.58	342	16	15	15	+	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0.58	342	16	15	15	+	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0.58	342	16	15	15	+	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0.58	342	16	15	15	+	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0.58	342	16	15	15	+	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0.58	342	16	15	15	+	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0.58	342	16	15	15	+	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0.58	342	16	15	15	+	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0.58	342	16	15	15	+	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0.58	342	16	15	15	+	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0.58	342	16	15	15	+	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0.58	342	16	15	15	+	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0.58	342	16	15	15	+	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0.58	342	16	15	15	+	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0.58	342	16	15	15	+	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0.58	342	16	15	15	+	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0.58	342	16	15	15	+	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0.58	342	16	15	15	+	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0.58	342	16	15	15	+	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0.58	342	16	15	15	+	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0.58	342	16	15	15	+	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0.58	342	16	15	15	+	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0.58	342	16	15	15	+	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0.58	342	16	15	15	+	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0.58	342	16	15	15	+	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0.58	342	16	15	15	+	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0.58	342	16	15	15	+	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0.58	342	16	15	15	+	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0.58	342	16	15	15	+	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0.58	342	16	15	15	+	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0.58	342	16	15	15	+	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0.58	342	16	15	15	+	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0.58	342	16	15	15	+	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0.58	342	16	15	15	+	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0.58	342	16	15	15	+	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0.58	342	16	15	15	+	East	0.20	10	20	20	+	Lane	0.92	10	137	10	10	+	Seaboard	1.12	0	127	120	43	
Acme Inc	0																									

## 4:00 pm prices August 3

4:00 pm prices August 3

Chloroform	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
Chloroform	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
Chloroform	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
Chloroform	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
Chloroform	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
Chloroform	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
Chloroform	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
Chloroform	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
Chloroform	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
Chloroform	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
Chloroform	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
Chloroform	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
Chloroform	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
Chloroform	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
Chloroform	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
Chloroform	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
Chloroform	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
Chloroform	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	5																																											

**ARE  
YOU  
GETTING  
YOUR  
FT  
COMMENT  
DAILY?**



**FINANCIAL TIMES**  
EUROPE'S BUSINESS NEWSPAPER



## AMERICA

## Dow keeps to narrow range in thin trading

## Wall Street

US STOCK markets traded in a narrow range yesterday after last week's heavy gains, as investors showed little reaction to the latest report from the country's purchasing managers, writes Patrick Harverson in New York.

The Dow Jones Industrial Average ended 1.62 up at 3,395.40, having rarely strayed far from opening values all day. The Standard & Poor's 500 closed 0.57 to 425.18, while the American SE composite gained 2.02 at 390.87 and the Nasdaq composite was ahead 1.53 at 593.36. New York SE turnover was light at 184m shares.

Last week satisfied a lot of pent-up demand in the market, the Dow having jumped more than 100 points in the wake of a sharp fall in long-term interest rates. Analysts had expected the market to open easier as investors consolidated their recently won gains.

The day's most important economic news was from the National Association of Purchasing Management, which reported that its index of manufacturing conditions rose modestly in July to 54.2, from June's 53.8. The figures confirmed that the economy is still expanding, but at a painfully slow rate.

The most intriguing part of the report was the decline in the employment component of the index, which suggested that July's key employment report, due out on Friday, might display continued weakness in the labour market.

The Commerce Department yesterday reported a 1.5 per cent fall in June construction spending, a worse figure than expected but one which had little effect on the market.

Monsanto fell 1.1% to \$53.39 in active trading after breaking house PaineWebber lowered its rating on the stock to "sell" in the wake of the US Food and Drug Administration's (FDA)

decision to approve a generic version manufactured by rival group Ixax of a Monsanto drug for the treatment of hypertension. PaineWebber also upgraded Ixax following the FDA decision, helping the stock climb 4% to \$29 on the American Stock Exchange.

McDonald's also suffered from a broker's downgrade, the fast-food chain slipping 1% to \$42.4 after Merrill Lynch reduced its intermediate-term rating on the stock from "buy" to "above-average", citing the discontinuation of this weekend of the market testing of new dinner menu products.

Lincoln National rose 3% to \$65.4 after the insurance holding company reported second quarter net income of \$1.50 a share, down from the \$1.75 earned a year ago but above the mean of most analysts' estimates.

Plains Resources, in which trading was halted on Friday because of concern about the state of its Miami Fee oil wells, dropped 32% to \$15 on the Amex after saying that its Miami Fee Number 3 well had been unsuccessful so far.

On the Nasdaq market, Borland International lost 1% to \$46 on news that the company will have to pull some disputed features from a spreadsheet program after a court ruled late on Friday that Borland had illegally copied part of a Lotus program. Mr Rick Sherlund of Goldman Sachs cut his earnings estimate for Borland to reflect the ruling's impact on the company's bottom line.

● Toronto was closed for a public holiday yesterday.

## SOUTH AFRICA

JOHANNESBURG fell in thin trading as the two-day general strike, led by the ANC, began. The gold index dropped 2% or 2.6 per cent to 1,041, the industrial index lost 2% to 4,315 and the overall index shed 2% to 3,409.

## EUROPE

## Frankfurt drops on fears of Lombard rate rise

INTEREST rate fears weighed on Frankfurt yesterday, but Paris and Milan jumped on domestic developments, writes Our Markets Staff.

FRANKFURT weakened on fears that the Bundesbank may be forced to lift the Lombard rate at Thursday's council meeting. While most analysts think this is unlikely, the market has become so nervous that the slightest rumour is enough to drive prices down. Renewed pressure on Allianz and Deutsche Bank led the FAZ index down 5.06 to 631.94 at mid-session, while the DAX index ended down 20.71 at 1,594.71, its lowest close for seven months. Turnover was a low DM3.8bn after DM4.6bn on Friday.

Allianz remained vulnerable, reaching an intraday low of DM1.722 before recovering slightly to close down DM60 or 3.3 per cent at DM1,777. Deutsche Bank worsened, losing DM12 to DM637 ahead of tomorrow's half-year results which are expected to be disappointing. Dresdner Bank,

FT-SE Eurotrack 100 - Aug 3									
Hourly changes									
Open	10.30am	11 am	12 pm	1 pm	2 pm	3 pm	close		
1064.44	1064.12	1065.57	1066.85	1066.32	1066.55	1066.08	1066.17		
Day's High 1069.87				Day's Low 1063.62					
Jul 31	Jul 30	Jul 29	Jul 28	Jul 27					
1067.77	1068.92	1077.69	1058.38	1056.98					

Base value 1000 (20/10/80)

which reports today, was down DM2 at DM325.

Among car makers, BMW continued to outperform, up DM3.80 at DM556.80. James Capel in London issued a sell note on the stock yesterday, following a visit to the company on Friday. The broker forecast that BMW's earnings growth in 1992 and 1993 will be stunted by weakness in the dollar against the D-Mark, a less favourable model and engine mix, falling Japanese sales and a higher tax charge. Lufthansa was again weak after last week's announcement that it was to shed some non-profitable US routes. Its shares fell DM9.50 or 8.7 per cent to DM100.

PARIS jumped on news that an opinion poll showed 57 per cent in favour of the Maastricht treaty. But analysts warned that the market was being driven by sentiment rather than fundamentals and that a rally could be short-lived. The CAC-40 index finished 29.77 or 1.7 per cent higher at 1,784.44 in moderate turnover of FF1.5bn.

Financials were lifted by a strong bond market as Société Générale rose FF26.50 or 6.9 per cent to FF475.50 and UAP recovered from a low of FF275.50 to close FF340 down at FF333.10.

LVME was another winner, rising FF156 to FF273.73 but Euro Disney failed to join in

the rally, losing another FF1.20 to FF63.80.

MILAN jumped 3.7 per cent following the well-publicised agreement between the government, trade unions and employers to scrap wage indexation. There were hopes that the accord would allow the Bank of Italy to cut interest rates. The Comit index rose 14.92 to 416.64 in turnover estimated at around L100bn after Friday's L87.4bn.

Traders attributed most of the rise to professional short-covering, and to a slight improvement in attitude from domestic investment funds. But there was virtually no foreign interest, apart from some residual selling. Fiat rose L344 to L4,824, Montedison rose L70 to L1,190 and Generali rose L175 to L27,520.

Due to a breakdown in the computer trading system, closing prices of the 35 shares listed on the system had to be fixed by traditional open outcry at the end of the session.

The Banca Popolare di Bergamo-Credito Varesino, created

by a merger between the two regional banks, made its debut on the main market yesterday. It closed L120 higher at L13,670. ZURICH's SMI index lost 3.2 to 1,794.9 in quiet trading. Nestlé bearers fell SFR130 to SFR9,240 and its registered shares lost SFR70 to SFR9,250.

BRUSSELS was weaker, and trading in Clabecq was temporarily suspended after the steel maker predicted heavy 1991-92 losses. Clabecq closed BF1250 or 19.2 per cent lower at BF1,050. The Bel-20 index lost 7.46 to 1,137.78.

Electrabel bucked the trend, gaining BF40 to BF4,550 in spite of the government announcing in its budget package yesterday that it plans to levy a new fixed tax on electricity producers.

AMSTERDAM enjoyed a stronger day, the CBS Tendency index rising 0.4 to 116.6.

Also gained, FI 2.70 to FI 146.50 ahead of today's half-year results which are expected to be positive. Philips, which reports on Thursday, improved 50 cents to FI 24.50.

STOCKHOLM slipped in featureless trading. The Affarsvärlden General Index eased 2.3 to 859.4 in thin turnover of SKR183m. Astra continued to dominate trading, as the A share slipped SKR1 to SKR558. The dollar-sensitive forest sector fell 1.4 per cent while the wholesale and retail sector posted the session's best result, up 1.6 per cent as Hennes & Mauritz rose SKR4 to SKR139.

OSLO's all-share index fell 2.15 to 381.01 in turnover of NKR62.92m, the lowest since September 1988. Uni Storebrand free A shares fell NKR3 to NKR25 on news of its planned share issue.

VIENNA's ATX index slumped 15.71 or 2 per cent to 766.91 on news of further developments in the finance ministry inquiry into possible insider trading in OMV shares in late June and early July. ISTANBUL eased ahead of today's publication of July inflation figures. The 76-share index closed 7.95 lower at 4,266.18.

## ASIA PACIFIC

## Nikkei falls as daily volume declines to 10-year low

## Tokyo

SHARE prices lost ground in subdued trading as volume fell to 12m shares, the lowest since August 1982, writes Emilia Terazono in Tokyo.

The 225-stock Nikkei average ended 200.83 down at 15,709.45 after a day's high of 15,954.44 and low of 15,665.40. The index rose at mid-morning on light index-linked buying, but later drifted lower on small-lot speculative selling.

Volume dropped from Friday's 200m as investors remained inactive. Falls led advances by 621 to 289, with 156 issues unchanged. The Tokyo index of all first section stocks slipped 11.81 to 1,307.44, and in London the FTSE/Nikkei 50 index eased 1.55 to 955.92.

Stock prices moved in tandem with the futures market, with little demand from investors. Traders expressed worries about the meagre turnover and

were pessimistic about the effects of lower interest rates. An analyst at Daiwa Securities commented: "Rates on bank deposits are being lowered next week, but the market lacks incentives to attract investors."

According to Daiwa, the daily average trading value on the Tokyo Stock Exchange fell from June's ¥219.2bn to ¥189.2bn in July, moving below ¥200bn for the first time since August 1984.

Foreign investors, who had been steady buyers of Japanese stocks, have also turned negative on the Tokyo market. The Finance Ministry said foreigners sold a net \$1.96bn worth of Japanese stocks in June, turning net sellers for the first time since November 1990.

Nippon Telegraph and Telephone, the domestic telecom company, receded ¥6,000 to ¥582,000 and KDD, the international telecom group, lost ¥140 to ¥8,200. The lifting of the for-

eign ownership ban on the two stocks at the start of this month has failed to attract buyers.

High-technology issues retreated on profit-taking. Toshiba, the most active issue of the day, dipped ¥4 to ¥910 and Hitachi ¥3 to ¥720.

Speculative theme stocks weakened as dealers and individuals liquidated short-term holdings. Meiji Milk Products fell ¥40 to ¥835. However, some suppliers of satellite television parts rose on hopes that the Olympic Games would boost demand for satellite television sets. Ikegami Tsushinki advanced ¥38 to ¥775 and Denki Kogyo ¥30 to ¥630.

In Osaka, the OSE average lost 122.89 to 17,626.96 in turnover of 6.4m shares, down from Friday's 12.5m. Trading volume on the OSE in July fell 2.7 per cent from June to 328.3m shares, the lowest monthly figure since May 1988.

Volume of the Nikkei 225

stock index futures fell 5.4 per cent from the previous month to 1.2m contracts, with average daily turnover dropping 9.5 per cent to 51,808 contracts. Futures options traded during July totalled 974,737 lots, up 22.9 per cent from June.

## Roundup

THE Pacific Rim put in a mixed performance yesterday.

HONG KONG moved ahead on selective buying of blue chips amid expectations of positive corporate results. The Hang Seng index put on 29.60 to 5,910.73 as turnover dipped to HK\$1.76bn from HK\$2.15bn.

Hang Seng Bank, with interim results due next week, added HK\$1 at HK\$34.5, while Cheung Kong, which reports half-time figures on Thursday, climbed 30 cents to HK\$24.80.

BANGKOK rose across the board in active trading as investors were cheered by the government's decision to

replace top military officers held responsible for the May shooting of pro-democracy campaigners. The SET index gained 13.80, or 1.7 per cent, to 757.32 in turnover of B\$9.4bn.

MANILA declined as profit-takers moved in following the composite index's failure on Friday to break through 1,500. The index relinquished 19.68 to 1,479.82 in turnover of P6.9m pesos. Mining shares led the market lower, the sector's sub-index shedding 90.56 to 2,892.70.

TAIWAN finished lower in thin trading as major players and institutions took profits after recent gains. The weighted index lost 29.76 to 4,072.09 in turnover of T\$18bn, against Saturday's half-day T\$22.6bn.

AUSTRALIA ended a shade off after hardly moving all day, due to a bank holiday in New South Wales. The All Ordinaries index eased 0.5 to 1,617.3 in light turnover of A\$149.8m.

Challenge sank 8 cents to A\$2.12 after the bank said it would have a one-for-four rights issue and forecast a A\$43.5m loss for the year to September.

SINGAPORE edged lower at the close in thin trading. The Straits Times Industrial index added 6.96 to 1,444.98 in volume of 23.3m shares, down from Friday's 36.2m.

KUALA LUMPUR closed mixed to easier as bargain hunting alternated with bouts of profit-taking. The composite index was off 0.14 at 601.39 in volume of 89.1m shares, against 72.3m on Friday.

KARACHI suffered its worst daily fall in six months as the textile sector reported a sharp contraction in cotton yarn sales. The 100-share index lost 36.15 to 1,247.12.

BOMBAY came off the day's lows, aided by late institutional support. The BSE index ended 4.41 down at 2,722.55, after touching 2,997.04.

## US soars in the summertime heat

## MARKETS IN PERSPECTIVE

	% change in local currency				% change sterling		% change in US \$	
	1 Week	4 Weeks	1 Year	Start of 1992	Start of 1992	Start of 1992	Start of 1992	
Austria .....	+1.63	-12.36	-24.83	-9.31	-9.53	-7.16	-7.16	
Belgium .....	+0.48	-2.49	-3.11	-0.40	-0.58	+2.05	+2.05	
Denmark .....	+0.80	-3.71	-20.47	-13.44	-12.34	-10.05	-10.05	
Finland .....	-0.56	-10.09	-30.56	-10.26	-10.64	-8.31	-8.31	
France .....	+1.20	-6.43	-1.89	+0.20	+1.16	+3.80	+3.80	
Germany .....	-0.55	-9.17	-5.83	-0.81	-0.93	+1.67	+1.67	
Ireland .....	-0.53	-2.06	-13.47	-8.46	-7.91	-5.50	-5.50	
Italy .....	-0.25	-10.08	-28.24	-19.13	-19.12	-17.00	-17.00	
Netherlands .....	+1.22	-3.32	-1.11	+3.74	+3.55	+6.25	+6.25	
Norway .....	+1.19	-2.74	-27.24	-7.88	-7.82	-5.41	-5.41	
Spain .....	+1.39	-10.03	-17.82	-12.76	-12.82	-10.54	-10.54	
Sweden .....	+4.13	-5.29	-16.12	+1.29	+1.92	+4.60	+4.60	
Switzerland .....	+2.45	-4.07	+4.15	+8.96	+8.81	+11.96	+11.96	
UK .....	+0.74	-4.71	-7.85	-3.87	-3.87	-1.35	-1.35	
EUROPE .....	+0.82	-3.92	-7.40	-2.95	-2.80	-0.26	-0.26	
Australia .....	+0.53	-3.42	+0.37	-3.61	-8.03	-5.63	-5.63	
Hong Kong .....	+1.48	-4.59	+45.25	+37.82	+36.08	+36.82	+36.82	
Japan .....	+2.05	-4.80	-33.72	-28.84	-31.97	-30.16	-30.16	
Malaysia .....	+1.14	+0.81	-3.46	+4.48	+10.77	+13.68	+13.68	
New Zealand .....	-0.53	-1.69	0.00	-2.86	-4.54	-2.04	-2.04	
Singapore .....	+2.87	-5.35	-1.62	-4.97	-6.97	-4.53	-4.53	
Canada .....	+0.65	-0.19	-5.50	-3.42	-8.11	-5.71	-5.71	
USA .....	+2.96	+2.98	+9.92	+1.68	-0.91	+1.68	+1.68	
Mexico .....	-0.68	-5.07	+28.87	+2.00	-2.88	-0.31	-0.31	
South Africa .....	+2.23	-5.71	-0.81	-0.01	-18.53	-17.42	-17.42	
WORLD INDEX .....	+2.02	-1.88	-8.39	-8.90	-10.96	-8.63	-8.63	

Based on July 31 1992. Copyright, The Financial Times Limited, Goldman, Sachs & Co. and County NatWest Securities

## By John Pitt

It is the height of summer, the Olympic Games are in full swing and most investors' thoughts have wandered to the annual holiday. Yet as Wall Street heads for record levels it is apparent that there are still some investors who are delaying their leave. Last week the FT-Actuaries World Index put on 2 per cent, its first appreciable gain for nearly a month.

The rally in the US started on Tuesday, when sentiment was boosted by a fall in long-term bond yields, and also better than expected second quarter results from Chrysler that lifted car manufacturers in general.

Japan also contributed to the stronger World index. After a disappointing start to the week when the Nikkei average sank to a new six-year low, narrowly avoiding a fall below 15,000 on Wednesday, sentiment took a turn for the better as the government announced that it was bringing forward by a month its

plans to stimulate the economy. By the weekend the index had more than recouped its losses.

The situation in continental Europe was not so encouraging. Comments by Mr Helmut Schlesinger, the Bundesbank president, effectively dashing any hopes for lower German interest rates this year, held back share prices. The downgrading of Allianz following its first-ever underwriting losses, and fears that Deutsche Bank's first-half earnings, due to be published tomorrow, will fail to meet forecasts also hurt the German market.

However, both Sweden and Switzerland ignored Mr Schlesinger's pessimistic analysis and showed firm gains on encouraging domestic news.

Astra enjoyed foreign buying on reports of strong US sales, while Skandia moved ahead as it appeared that a solution was in prospect to Uni Storebrand's attempt to take control of the Swedish insurer. Switzerland took comfort from satisfactory results from Union Bank and a strong chemical sector.

## FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	MONDAY AUGUST 3 1992										FRIDAY JULY 31 1992										DOLLAR INDEX		
	Figures in parentheses show number of lines of stock	US Dollar Index	Day's Change	Pound Sterling	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div. %	US Dollar Index	Pound Sterling	Yen Index	DM Index	Local Currency Index	1992 Low	1992 High	Year to Date						
Australia (69)	142.20	-0.1	109.68	114.38	109.12	127.12	-0.1	4.30	142.38	109.93	114.60	109.54	127.26	103.68	140.94	143.85							
Austria (119)	128.61	-1.3	117.80	122.78	117.11	117.52	-1.2	2.49	154.61	119.38	124.46	118.96	118.96	108.70	150.55	177.47							
Belgium (42)	146.91	-0.3	113.20	118.18	112.73	110.50	-0.3	5.57	147.30	113.74	118.57	113.34	110.79	152.27	135.87	131.44							
Canada (124)	128.58	+0.0	99.08	103.42	98.68	110.24	+0.0	3.17	128.52	99.24	103.46	98.68	110.24	142.12	134.36	139.28							
Denmark (10)	227.21	-1.3	182.79	190.81	192.03	183.41	-1.3	1.91	228.93	183.12	188.12	182.12	184.51	222.82	228.55	232.54							
Finland (19)	158.80	-0.1	112.27	117.73	121.85	124.24	-0.1	7.11	159.54	113.69	118.96	113.34	110.79	152.27	135.87	131.44							
France (104)	158.80	-0.1	112.27	117.73	121.85	124.24	-0.1	7.11	159.54	113.69	118.96	113.34	110.79	152.27	135.87	131.44							
Germany (64)	118.78	-0.4	91.51	92.54	91.13	91.13	-0.7	2.51	119.29	92.11	96.04	91.78	91.78	128.65	114.67	108.42							
Greece (24)	242.55	-0.4	159.56	197.79	188.70	197.79	-0.4	2.51	243.95	159.56	197.79	188.70	197.79	222.82	228.55	232.54							
Ireland (18)	158.40	-0.1	112.27	117.73	121.85	124.24	-0.1	7.11	159.54	113.69	118.96	113.34	110.79	152.27	135.87	131.44							
Italy (78)	55.58	+4.8	50.53	52.75	50.32	54.61	+4.4	3.80	62.57	48.32	50.32	48.32	50.32	107.81	71.51	178.14							
Japan (473)	153.90	-0.1	72.39	75.62	72.07	76.53	-0.1	1.13	154.93	73.22	76.54	72.77	76.54	140.94	143.85	148.95							
Netherlands (25)	242.55	-0.4	159.56	197.79	188.70	197.79	-0.4	2.51	243.95	159.56	197.79	188.70	197.79	222.82	228.55	232.54							
Mexico (18)	49.04	+1.2	108.13	116.72	107.81	117.22	+1.2	1.26	136.80	107.81	116.72	107.81	116.72	140.94	143.85	148.95							
Norway (25)	162.77	+0.3	126.43	130.93	124.61	123.73	+0.2	4.53	162.32	125.27	130.93	124.61	123.73	140.94	143.85	148.95							
New Zealand (14)	46.27	+0.5	35.65	37.22	35.50	40.59	+0.5	5.04	46.02	35.50	37.22	35.50	37.22	107.81	71.51	178.14							
Portugal (2)	166.12	-0.8	129.55	136.23	129.01	132.52	-0.6	1.90	169.12	130.15	136.23	129.01	132.52	140.94	143.85	148.95							
Singapore (28)	203.45	-1.0	156.77	163.34	156.11	171.85	-1.0	2.96	205.55	156.77	163.34	156.11	171.85	140.94	143.85	148.95							
South Africa (61)	203.45	-1.0	156.77	163.34	156.11	171.85	-1.0	2.96	205.55	156.77	163.34	156.11	171.85	140.94	143.85	148.95							
Spain (49)	140.45	+0.4	108.22	112.97	107.77	100.07	+0.1	5.67	139.93	108.05	112.97	107.77	100.07	140.94	143.85	148.95							
Sweden (30)	188.04	-0.2	145.87	152.06	145.07	160.14	-0.3	2.74	189.47	146.20	152.06	145.07	160.14	140.94	143.85	148.95							
Switzerland (62)	111.55	-0.4	76.04	79.82	75.83	81.27	-0.4	2.35	112.07	76.54	79.82	75.83	81.27	107.81	71.51	178.14							
United Kingdom (228)	154.85	-0.1	106.81	116.72	107.81	117.22	+0.1	5.23	162.83	106.81	116.72	107.81	117.22	140.94	143.85	148.95							
USA (522)	173.10	+0.2	133.39	134.24	132.64	173.10	+0.2	2.90	172.74	133.39	134.24	132.64	173.10	200.07	165.55	176.57							
Europe (730)	148.44	+0.8	114.38	119.40	113.31	114.82	+0.8	4.20	147.31	113.74	118.57	113.34	110.79	152.27	135.87	131.44							
Nordic (103)	175.21	-0.8	138.01	143.94	134.45	132.72	-0.6	2.39	176.29	138.01	143.94	134.45	132.72	140.94	143.85	148.95							
North America (717)	100.72	-0.8	77.61	81.02	77.29	82.07	-0.9	1.50	101.55	78.41	81.75	78.14	82.81	141.97	134.04	132.87							
Asia Pacific (1507)	120.02	+0.0	99.08	103.42	98.68	110.24	+0.0	3.17	128.52	99.24	103.46	98.68	110.24	142.12	134.36	139.28							
Latin America (10)	227.21	-1.3	182.79	190.81	192.03	183.41	-1.3	1.91	228.93	183.12	188.12	182.12	184.51	222.82	228.55	232.54							
North America (717)	120.02	+0.0	99.08	103.42	98.68	110.24	+0.0	3.17	128.52	99.24	103.46	98.68	110.24	142.12	134.36	139.28							
Europe Ex. UK (562)	126.33	+0.6	97.50	101.80	97.12	96.67	+0.4	3.45	126.79	97.13	101.80	97.12	96.67	140.94	143.85	148.95							
Pacific Ex. Japan (244)	167.93	-0.1	129.40	130.10	126.69	149.68	-0.1	3.58	167.78	129.57	130.69	128.12	148.79	132.51	149.00	148.93							
Asia Pacific (1507)	120.02	+0.0	99.08	103.42	98.68	110.24	+0.0	3.17	128.52	99.24	103.46	98.68	110.24	142.12	134.36	139.28							
World Ex. UK (1994)	122.61	+0.1	94.02	98.14	93.63	97.98	+0.1	2.1	123.99	93.46	97.13	93.11	97.13	118.96	150.55	127.13							
World Ex. Japan (217)	167.93	-0.1	129.40	130.10	126.69	149.68	-0.1	3.58	167.78	129.57	130.69	128.12	148.79	132.51	149.00	148.93							
World Ex. Japan (222)	167.93	-0.1	129.40	130.10	126.69	149.68	-0.1	3.58	167.78	129.57	130.69	128.12	148.79	132.51	149.00	148.93							
The World Index (1449)	135.30	+0.1	106.57	111.26	106.13	120.90	+0.0	2.87	138.21	106.72	111.26	106.13	120.90	120.91	130.57	130.66							